

**REPORT ON THE
COMPREHENSIVE AUDIT**

**COUNTY OF LOS ANGELES PUBLIC HEALTH LABORATORY
DOWNEY, CALIFORNIA**

**OFFICE OF AIDS
CONTRACT NO. 05-45211
FISCAL PERIOD:
JULY 1, 2006 THROUGH JUNE 30, 2007**

**Audits Section - Gardena
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Cheryl Phillips
Audit Supervisor: Cheryl Phillips
Auditor: Kristine Lim**



SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

September 15, 2008

Non-Direct Service Contract (for Counties, Universities and Cities)

Sue Sabet

Laborator Director

Contractor Name: County of Los Angeles Public Health Laboratory

Contractor Address: 12750 Erickson Avenue, Downey, CA 90242

Sue Sabet

The claims for expenditures for services provided by Los Angeles County Public Health Laboratory, under the HIV Therapeutic Program, Contract No.05-45211, for the fiscal period of July 1, 2006 through June 30, 2007 have been reviewed by the Financial Audits Branch of the Department of Health Care Services. In addition, a review was made of the program's management and operational procedures.

Except as set forth in the following paragraph, our review was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our review included such tests of the accounting records and other review procedures as we considered necessary under the circumstances.

The financial statements of County of Los Angeles for the year ended June 30, 2007, were examined by other auditors whose report dated December 13, 2007 expressed unqualified opinion on those statements

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, a copy of the above referenced financial statements is included in this report.

The program review was conducted during the months of March, 2008. The exit conference was held on July 22, 2008 at which time the results of the engagement were discussed.

Sue Sabet
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This Audit Report includes the:

1. Executive Summary of Findings
2. Introduction
3. Scope of Review
4. Contract Compliance
5. Fiscal Findings
6. System and Procedures
7. State Program Response to Adjustments / Findings

Please develop and submit a corrective action plan within ninety (90) days of receipt of this letter to:

California Department of Public Health
Office of AIDS
MS 7700
PO Box 997426
Sacramento, CA 95899-7426

and a copy of this plan to:

Cheryl Phillips, Chief
Audits Section – Gardena
Department of Health Care Services
19300 South Hamilton Avenue, Suite 280
Gardena, CA 90248

If you disagree with the amount due, you may appeal by writing to the Chief, Administrative Appeals, Office of Legal Services, Department of Health Care Services, 1029 J Street, Suite 200, Sacramento, California 95814. This written notice of disagreement must be received by the Department within sixty (60) calendar days from the day you receive this letter. A copy of this notice should be sent to the Assistant Chief Counsel, Appeals and Suspension Section, Office of Legal Services, Department of Health Care Services, MS 0010, P O. Box 997413, Sacramento, California 95899-7413. The procedures that govern this hearing are contained in Welfare and Institutions Code, Section 14171, and Title 22 California Code of Regulations, Section 51016, et seq. Excerpts of the statute and regulations are included for you information.

If you should have any further questions, please contact Toni Post, Program Coordinator, at (916)-449-5946

Sue Sabet
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A handwritten signature in cursive script that reads "Cheryl Phillips".

Cheryl Phillips, Chief
Audits Section – Gardena
Financial Audits Branch

cc: Toni Post
Program Coordinator
Office of Aids
California Department of Public Health
MS 7700
PO Box 997429
Sacramento, CA 95899-7426

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LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

I EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

The Financial Audit Section's review was limited to the HIV Therapeutic Monitoring Program. The following information is a summary of our findings for the fiscal period of July 1, 2006 through June 30, 2007. The details of these findings are included in Section IV and of this report.

Fiscal

1. The claimed expenses on the invoices was properly supported and within the contract budget.
2. The invoices were prepared on contractor's letterhead and bear the contractor's name shown on the agreement.
3. The invoices identified the billing period covered by the invoices.
4. The invoices itemized costs for the billing period in the same level of detail as indicated in this agreement.

Contract Compliance

1. The contractor did provide Viral Load Test (VLT) services to determine the quantity of HIV-1(RNA copies/ml) in the blood of AIDS Drug assistance Program (ADAP)-and eligible clients from Early Intervention Program (EIP) sites and Local Health Jurisdiction sites (LHJ).
2. The contractor did make the necessary arrangements for specimen processing and transportation to the Contractor's VLT Laboratory.
3. The Contractor selected Roche RCR, one of the three commercially available test kits.
4. Designated EIP staff and individual authorized by LHJ sites, following Office of Aids guidelines, did determine client eligibility and completed a VLT Voucher.
5. A sample size of 192 sampled tests was reviewed. We determined 9 test results were not reported to the submitter within 10 working days after the sample was collected from the client. 6 of the late results were caused by the submitters not submitting the sample within 10 days of when it was collected from clients. The contractor shall ensure that VLT results are reported to the submitter within 10 working days after the sample was collected from the client.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

6. Of the 192 sampled tests, we also determined three vouchers were missing. The contractor shall retain all completed VLT Vouchers for a minimum of four years.
7. The Contractor did ensure that all test results are linked to the Client Unique record Number (RN) which is recorded on the VLT Voucher
8. The contractor did participate in a periodic statewide proficiency-testing program.
9. The contractor performed a testing panel of 5 standardized samples up to three times per year (total of 15 sample tests). The contractor did not bill the office of Aids for these tests. The required total number of sample tests in the contract is inconsistent.
10. The contractor did not file the July 2006 and January 2007 monthly voucher data to Viral and Rickettsial Disease Laboratory (VRDL) within 30 days after end of the reporting period. The required time periods in the contract are inconsistent. The contractor should file the voucher data on a timely basis.
11. The contractor's voucher data contained all the required data elements.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

II INTRODUCTION

A. DESCRIPTION OF PROGRAM

The HIV Therapeutic Monitoring Program (TMP), the Contractor shall conduct the Viral Load Tests (VLT) to determine the quantity of HIV-1 (RNA copies/ml) in the blood of AIDS Drug Assistance Program (ADAP)-eligible individuals in the following three categories:

- A. Early Intervention Program (EIP) clients at Office of AIDS (OA)-funded EIP sites
- B. Non-EIP clients in non-Title I areas
- C. Non-EIP clients in Title I areas

The Office of AIDS and Viral and Rickettsial Disease Laboratory (VRDL) jointly administer this program.

B. DESCRIPTION OF AGENCY

The HIV Therapeutic Monitoring Program is operated and maintained by the Los Angeles County Public Health Laboratory. The Los Angeles County Public Health Laboratory performed VLT services to eligible individuals and participated in both statewide and national proficiency testing programs.

C. SITE LOCATION

Los Angeles Public Health Laboratory provided Viral Load Test services at 313 North Figueroa Street, Room 1127, Los Angeles, California 90012. On March 2007, it moved to the present location which is 12750 Erickson Avenue, Downey, California 90242.

D. CONTRACT GOALS AND OBJECTIVES

The goal of the contract is to use these funds for conducting Viral Load Tests to determine the quantity of HIV 1 (RNA Copies/ml) in the blood of AIDS Drugs Assistance Program (ADAP)-eligible individuals.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

III. SCOPE OF REVIEW

The Financial Audit Section's review was limited to the HIV Therapeutic Monitoring Program and consisted of the following:

1. A review of the Viral Load Test voucher and laboratory results to ensure the existence of the proper documentation and the propriety of claims submitted to the State for reimbursement.
2. A review of the operations to determine if the contractor complied with applicable statutes, regulations, and terms and conditions of the state contract.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

IV. CONTRACT COMPLIANCE

The examination included a review to determine if the Los Angeles County Public Health Laboratory conducted the program in compliance with HIV THERAPEUTIC MONITORING SERVICES program terms and applicable regulatory requirements. The following is a summary of findings relating to this portion of the audit.

Finding No. 1

A sample size of 192 tests was reviewed. We determined that the contractor did perform the required Viral Load Test.

Finding No. 2

Based on our observation during the tour at the contractor's laboratory, we determined that the contractor did make the necessary arrangements for specimen processing and transport to the Contractor's VLT laboratory.

Finding No. 3

The contractor used the Roche PCR test kits, one of the three commercially available test kits as required by the contract.

Finding No. 4

Designated EIP staff and individual authorized by LHJ sites, following Office of Aids guidelines, did determine client eligibility and completed a VLT Voucher.

Finding No. 5

A sample size of 192 tests was reviewed. We determined 9 test results were not reported to the submitter within 10 working days after the sample was collected from the client. 6 of the late results were caused by the submitters not submitting the sample within 10 days of when they were collected from the clients. The contractor should ensure that the test results reported to the submitter within the required time period.

Finding No. 6

Of the 192 sampled tests, we determine 3 vouchers were missing. The contractor should ensure that a completed VLT Vouchers shall be retained for a minimum of four years.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

Finding No. 7

All test results were linked to the Client Unique Record Number which was recorded on the VLT Voucher

Finding No. 8

The contractor did participate in the periodic statewide proficiency-testing program

Finding No. 9

The contractor performed a testing panel of 5 standardized samples up to three times per year (total of 15 sample tests). The contractor did not bill the office of Aids for these tests. The required total number of sample tests in the contract is inconsistent

Finding No. 10

We sampled two monthly (July 2006 and January 2007) voucher data to review. These monthly voucher data were not submitted within 30 days after the end of the reporting period. The required time periods in the contract are inconsistent. The contractor should submit the voucher data to Viral and Rickettial Disease Laboratory (VRDL) on a timely basis.

Finding No. 11

The contractor's voucher data contained all the required data elements.

Further, based on our examination, nothing came to our attention to indicate that the Los Angeles County Public Health Department has not complied with the material terms and conditions of the contract beyond the findings noted above

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

V. FISCAL FINDINGS

The following is a discussion of the fiscal findings relating to the Audits and Investigations' examination of HIV Therapeutic Monitoring Services Program expenditures as claimed by Los Angeles County Public Health.

Finding No. 1

The claimed expenses on the invoices was properly supported and within the approved budget in total.

Finding No. 2

The invoices were prepared on contractor's letterhead and bear the contractor's name shown on the agreement.

Finding No. 3

The invoices identified the billing period covered by the invoices.

Finding No. 4

The invoices itemized costs for the billing period in the same level of detail as indicated in this agreement.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

VI SYSTEMS AND PROCEDURES

A study and evaluation of the County of Los Angeles Public Health Laboratory Department's internal control was not performed for the following reasons

The County of Los Angeles hired Macias Gini and O'Connell LLP as the independent auditor, to perform the audit on the Comprehensive Annual Financial Reports of the County of Los Angeles County for the year ended June 30, 2007. The independent auditors' examination was based on generally accepted auditing standards. In the review of the internal control structure, the independent auditors noted matters involving the internal control that they considered being material and significant deficiencies, but they were not related to this program.

LOS ANGELES COUNTY PUBLIC HEALTH LABORATORY
HIV THERAPEUTIC MONITORING SERVICES PROGRAM
FISCAL PERIOD: JULY 1, 2006 THROUGH JUNE 30, 2007

VII. STATE PROGRAM RESPONSE TO ADJUSTMENTS/FINDINGS

The State Program agreed to revise the contract terms to correct the inconsistencies described in contract compliance findings 9 and 10.



MACIAS GINI & O'CONNELL LLP
 CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

3000 S Street, Suite 300
 Sacramento, CA 95816
 916 928 4600

2175 N California Boulevard, Suite 645
 Walnut Creek, CA 94596
 925 274 0190

515 S Figueroa Street, Suite 325
 Los Angeles, CA 90071
 213 286 6400

402 West Broadway, Suite 400
 San Diego, CA 92101
 619 573 1112

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors
 County of Los Angeles, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Development Commission (CDC) and the Los Angeles County Employees Retirement Association (LACERA), which represent the following percentages of the assets, net assets or fund balances, and revenues of the following opinion units:

Opinion Unit	Assets	Net assets or fund balance	Revenues
Governmental Activities	1%	1%	1%
Business-type Activities	5%	9%	10%
Aggregate Remaining Fund Information	75%	73%	16%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for CDC and LACERA, are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the

aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fire Protection District, the Flood Control District, the Public Library, and the Regional Park and Open Space District, for the year then ended in conformity with accounting principles generally accepted in the United States of America

The management's discussion and analysis on pages 3 through 21 and the schedule of funding progress on page 99 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion on them.

Macias Funi & O'Connell LLP

Certified Public Accountants

Los Angeles, California
December 13, 2007

COUNTY OF LOS ANGELES MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County's Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2007. We recommend that this information be used in conjunction with additional information contained in the letter of transmittal.

Financial Highlights

At the end of the current year, the net assets (total assets less total liabilities) of the County were positive \$17.177 billion. However, net assets are classified into three categories and the unrestricted component is negative \$836 million. See further discussion on page 7.

During the current year, the County's net assets increased by a total of \$1.523 billion. Net assets related to governmental activities increased by \$1.335 billion, while net assets related to business-type activities increased by \$188 million.

At the end of the current year, the County's General Fund reported a total fund balance of \$3.08 billion. The amount of unreserved fund balance was \$2.602 billion. Of the unreserved total, \$1.235 billion was designated.

The County's capital asset balances were \$17.258 billion at year-end and increased by \$612 million during the year.

During the current year, the County's total long-term debt decreased by \$373 million. Bond maturities of \$757 million exceeded the \$384 million of newly issued and accreted long-term debt.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

BASIC FINANCIAL STATEMENTS

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
JUNE 30 2007 (in thousands)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 LA
ASSETS				
Pooled cash and investments: (Notes 1 and 4)				
Operating (Note 1)	\$ 3,965,791	\$ 205,875	\$ 4,171,666	\$ 163,111
Other (Note 1)	905,740	57,965	963,705	
Total pooled cash and investments	4,871,531	263,840	5,135,371	163,111
Other investments (Note 4)	303,363	78,720	382,083	679,422
Taxes receivable	344,068	731	344,799	
Accounts receivable - net		584,767	584,767	
Interest receivable	48,115	1,853	49,968	12,237
Other receivables	1,514,618	29,610	1,544,228	21,839
Internal balances (Note 13)	200,022	(200,022)		
Inventories	95,447	25,459	120,906	
Restricted assets (Note 4)	9,268	23,728	32,996	
Net pension obligation (Note 6)	130,944	45,496	176,440	
Capital assets: (Notes 5 and 8)				
Capital assets, not being depreciated	7,433,679	1,118,310	8,551,989	2,039
Capital assets, net of accumulated depreciation	7,496,296	1,209,806	8,706,102	11,513
Total capital assets	14,929,975	2,328,116	17,258,091	13,552
TOTAL ASSETS	22,447,351	3,182,298	25,629,649	890,161
LIABILITIES				
Accounts payable	359,139	76,533	435,672	27,661
Accrued payroll	454,588	102,218	556,806	
Other payables	108,859	11,135	119,994	
Accrued interest payable	18,432	684	19,116	
Unearned revenue (Note 6)	93,365	7,920	101,285	1,782
Advances payable	287,580		287,580	
Noncurrent liabilities: (Notes 6, 8, 9, 12 and 16)				
Due within one year	847,541	224,367	1,071,908	72
Due in more than one year	4,837,223	1,022,867	5,860,090	159
TOTAL LIABILITIES	7,006,727	1,445,724	8,452,451	29,674
NET ASSETS				
Invested in capital assets, net of related debt				
(Notes 5 and 9)	14,192,494	2,190,999	16,383,493	13,552
Restricted for:				
Capital projects	150,980		150,980	
Debt service	1,143	107,139	108,282	
Permanent trust	3,380		3,380	
Special purpose	1,287,580	79,127	1,366,707	846,935
Unrestricted (deficit)	(194,953)	(640,691)	(835,644)	
TOTAL NET ASSETS	\$ 15,440,624	\$ 1,736,574	\$ 17,177,198	\$ 860,487

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

FUNCTIONS	EXPENSES	PROGRAM REVENUE		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 807 155	\$ 451,050	\$ 39 316	\$ 7,697
Public protection	4,872,413	1,189,730	1,178,230	2,687
Public ways and facilities	282,827	31,390	217,637	
Health and sanitation	2,223,695	518,893	1,505,926	2,365
Public assistance	4,539,458	28,421	4,034,618	
Education	99,136	3,853	2,529	
Recreation and cultural services	266,967	173,531	2 293	12,386
Interest on long-term debt	239,608			
Total governmental activities	13,331,259	2,396,868	6,980,549	25,135
Business-type activities:				
Hospitals	2,894,493	1,864,209	71,636	12,911
Aviation	5,761	2,914	1,878	81
Waterworks	97,504	79,547	158	
Community Development Commission	211,077	11,309	231,048	
Total business-type activities	3,208,835	1,957,979	304,720	12,992
Total primary government	\$ 16,540,094	\$ 4,354,847	\$ 7,285,269	\$ 38,127
COMPONENT UNIT -				
First 5 LA	\$ 137,489	\$	\$ 139,466	\$

GENERAL REVENUES:

Taxes:

Property taxes

Utility users taxes

Voter approved taxes

Documentary transfer taxes

Other taxes

Sales and use taxes, levied by the State

Grants and contributions not restricted
to special programs

Investment earnings

Miscellaneous

SPECIAL ITEM - Contribution of Disney Hall (Note 5)

TRANSFERS - NET

Total general revenues and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2006

NET ASSETS, JUNE 30, 2007

The notes to the basic financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

PRIMARY GOVERNMENT	COMPONENT UNIT
--------------------	----------------

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 LA
\$ (309,092)	\$	\$ (309,092)	
(2,501,766)		(2,501,766)	
(33,800)		(33,800)	
(196,511)		(196,511)	
(476,419)		(476,419)	
(92,754)		(92,754)	
(78,757)		(78,757)	
(239,608)		(239,608)	
<u>(3,928,707)</u>		<u>(3,928,707)</u>	
	(945,737)	(945,737)	
	(888)	(888)	
	(17,799)	(17,799)	
	31,280	31,280	
	<u>(933,144)</u>	<u>(933,144)</u>	
<u>(3,928,707)</u>	<u>(933,144)</u>	<u>(4,861,851)</u>	

FUNCTIONS

PRIMARY GOVERNMENT:

Governmental activities:

General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Education
Recreation and cultural services
Interest on long-term debt
Total governmental activities

Business-type activities:

Hospitals
Aviation
Waterworks
Community Development Commission
Total business-type activities

Total primary government

COMPONENT UNIT -

Total - First 5 LA

\$ 1,977

GENERAL REVENUES:

Taxes:

- Property taxes
- Utility users taxes
- Voter approved taxes
- Documentary transfer taxes
- Other taxes

Sales and use taxes, levied by the State

Grants and contributions not restricted
to special programs

Investment earnings

Miscellaneous

SPECIAL ITEM - Contribution of Disney Hall (Note 5)

TRANSFERS - NET

Total general revenues and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2006

NET ASSETS, JUNE 30 2007

4,142,889	3,782	4,146,671	
65,457		65,457	
253,690		253,690	
87,930		87,930	
55,038		55,038	
83,591		83,591	
761,705	35	761,740	
335,851	18,043	353,894	42,823
259,357	50,443	309,800	291
267,473		267,473	
(1,049,213)	1,049,213		
5,263,768	1,121,516	6,385,284	43,114
1,335,061	188,372	1,523,433	45,091
14,105,563	1,548,202	15,653,765	815,396
\$ 15,440,624	\$ 1,736,574	\$ 17,177,198	\$ 860,487

COUNTY OF LOS ANGELES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30 2007 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
ASSETS:				
Pooled cash and investments: (Notes 1 and 4)				
Operating (Note 1)	\$ 1 882,867	84 507	135 097	21,695
Other (Note 1)	785,987	55,626	8,781	3,556
Total pooled cash and investments	<u>2,668,854</u>	<u>140,133</u>	<u>143,878</u>	<u>25,251</u>
Other investments (Notes 3 and 4)	6 400			121
Taxes receivable	248,095	54,186	15,731	7,189
Interest receivable	33,096	697	990	210
Other receivables	1,324,587	27,006	10 863	248
Due from other funds (Note 13)	370 124	4,486	13,158	762
Advances to other funds (Note 13)	400 280		6,213	
Inventories	42,561	6,247		1,108
TOTAL ASSETS	<u>\$ 5,093,997</u>	<u>232,755</u>	<u>190,833</u>	<u>34,889</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 300 087	7,242	2,871	2,912
Accrued payroll	392,779	37,171		4 184
Other payables	86,055	1,996		340
Due to other funds (Note 13)	602,358	6,064	25 285	2,056
Deferred revenue (Note 6)	338 714	38,341	15,059	5 184
Advances payable	276,023			
Third party payor liability (Notes 9 and 12)	15,537			
TOTAL LIABILITIES	<u>2,013,553</u>	<u>90,814</u>	<u>43,215</u>	<u>14,676</u>
FUND BALANCES:				
Reserved for:				
Encumbrances	415 001	18,421	100,464	7,846
Inventories	42,561	6,247		1,108
Housing programs				
Debt service				
Endowments and annuities				
Assets unavailable for appropriation	20 718	25	3,011	15
Unreserved designated for:				
Budget uncertainties	338 192	54,000		
Program expansion	326,796	29,824		3,399
Health services	326,849			
Capital projects	241,489		33,814	
Special revenue funds - program expansion				
Unreserved undesignated, reported in:				
General fund	1,366 839			
Special revenue funds		33 424	10 329	7,846
Capital projects funds				
TOTAL FUND BALANCES	<u>3,080,444</u>	<u>141,941</u>	<u>147,618</u>	<u>20,213</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,093,997</u>	<u>232,755</u>	<u>190,833</u>	<u>34,889</u>

The notes to the basic financial statements are an integral part of this statement

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 3)	TOTAL GOVERNMENTAL FUNDS
\$ 263,441	1,540,768		\$ 3,928,375
3,540	40,795		898,285
266,981	1,581,563		4,826,660
	592,884	(304,235)	295,170
3,335	15,532		344,068
2,222	10,558		47,773
4,013	93,791		1,460,508
9	311,189		699,728
	11,034		417,527
	37,581		87,497
\$ 276,560	2,654,132	(304,235)	\$ 8,178,931
\$ 1,022	46,270		\$ 362,404
	465		434,599
85	18,285		106,761
9,007	293,863		938,633
5,234	74,854		477,386
	8,169		286,192
	1,630		17,167
15,348	446,536		2,623,142
78,400	174,425		794,557
	37,581		87,497
	1,662		1,662
	771,679	(304,235)	467,444
	3,380		3,380
	29,687		53,356
	86,182		478,374
64,873			426,891
			326,849
			275,303
	169,104		169,104
			1,366,839
117,939	666,461		835,998
	268,535		268,535
261,212	2,208,596	(304,235)	5,555,789
\$ 276,560	2,654,132	(304,235)	\$ 8,178,931

ASSETS:

Pooled cash and investments: (Notes 1 and 4)

Operating (Note 1)

Other (Note 1)

Total pooled cash and investments

Other investments (Notes 3 and 4)

Taxes receivable

Interest receivable

Other receivables

Due from other funds (Note 13)

Advances to other funds (Note 13)

Inventories

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable

Accrued payroll

Other payables

Due to other funds (Note 13)

Deferred revenue (Note 6)

Advances payable

Third party payor liability (Notes 9 and 12)

TOTAL LIABILITIES

FUND BALANCES:

Reserved for:

Encumbrances

Inventories

Housing programs

Debt service

Endowments and annuities

Assets unavailable for appropriation

Unreserved designated for:

Budget uncertainties

Program expansion

Health services

Capital projects

Special revenue funds - program expansion

Unreserved, undesignated reported in:

General fund

Special revenue funds

Capital projects funds

TOTAL FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES

COUNTY OF LOS ANGELES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007 (in thousands)

Fund balances - total governmental funds (page 27)	\$	5,555,789
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not reported in governmental funds:

Land & Easements	\$	6,994,837	
Construction-in-progress		438,842	
Buildings and improvements - net		2,633,854	
Equipment - net		253,579	
Infrastructure - net		4,540,240	14,861,352

Other long-term assets are not available to pay for current-period expenditures and are unearned, or not recognized, in governmental funds:

Deferred revenue - taxes	\$	244,587	
Long-term receivables		194,364	438,951

The net pension obligation (an asset) pertaining to governmental fund types is not recorded in governmental fund statements		122,166
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Accrued interest payable is not recognized in governmental funds		(18,432)
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Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds and notes payable (including accreted interest)	\$	(1,659,220)	
Pension bonds payable		(820,621)	
Capital lease obligations		(98,245)	
Accrued vacation/sick leave		(662,360)	
Workers' compensation		(1,807,937)	
Litigation/self insurance		(397,513)	
Third party payor liability		(400)	(5,446,296)

Assets and liabilities of the internal service funds are included in governmental activities in the accompanying statement of net assets.		(72,906)
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Net assets of governmental activities (page 23)	\$	15,440,624
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COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
REVENUES:				
Taxes	\$ 3,572,932	580,763	88,011	66,822
Licenses permits and franchises	61,138	9,228	514	
Fines forfeitures and penalties	234,747	3,041	1,059	477
Revenue from use of money and property:				
Investment income (Note 4)	226,247	2,555	6,113	822
Rents and concessions (Note 8)	67,984	80	6,995	19
Royalties	280		306	
Intergovernmental revenues:				
Federal	2,695,498	14,383	5,375	107
State	4,251,149	16,317	9,324	2,952
Other	103,474	29,810	4,824	1,263
Charges for services	1,467,608	166,120	112,524	2,372
Miscellaneous	189,636	133	11,875	562
TOTAL REVENUES	12,870,693	822,430	246,920	75,396
EXPENDITURES:				
Current:				
General government	854,052			
Public protection	3,855,819	788,880	214,526	
Public ways and facilities				
Health and sanitation	2,126,233			
Public assistance	4,410,224			
Education				98,626
Recreation and cultural services	217,221			
Debt service:				
Principal	124,234	6,125		1,360
Interest and other charges	144,131	6,149		1,366
Capital leases	25,936			
Capital outlay	818			
TOTAL EXPENDITURES	11,758,668	801,154	214,526	101,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,112,025	21,276	32,394	(25,956)
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 13)	267,243			35,294
Transfers out (Note 13)	(1,039,031)	(31,487)	(21,065)	(3,844)
Issuance of debt (Note 9)				
Payment to refunded bonds escrow agent (Note 9)				
Bond premium proceeds (Note 9)				
Capital leases (Note 8)	818			
Sales of capital assets	1,111	287	599	3
TOTAL OTHER FINANCING SOURCES (USES)	(769,859)	(31,200)	(20,466)	31,453
NET CHANGE IN FUND BALANCES	342,166	(9,924)	11,928	5,497
FUND BALANCE JULY 1 2006	2,738,278	151,865	135,690	14,716
FUND BALANCE JUNE 30 2007	\$ 3,080,444	141,941	147,618	20,213

The notes to the basic financial statements are an integral part of this statement

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 3)	TOTAL GOVERNMENTAL FUNDS
\$	259,127		\$ 4,567,655
	6,810		77,690
792	76,058		316,174
12,749	102,400	(16,021)	334,865
	5,796		80,874
	8		594
	120,569		2,835,932
	333,450		4,613,192
	14,745		154,116
77,709	139,391		1,965,724
	89,087		291,293
91,250	1,147,441	(16,021)	15,238,109
	17,252		871,304
	96,113		4,955,338
	271,904		271,904
	129,504		2,255,737
	128,968		4,539,192
	489		99,115
42,417	5,391		265,029
	194,644	(21,475)	304,888
	75,761	(16,021)	211,386
			25,936
	46,079		48,897
42,417	968,105	(37,496)	13,848,726
48,833	179,336	21,475	1,389,383
	237,840		540,377
(33,710)	(463,204)		(1,592,341)
	326,245		326,245
	(320,995)		(320,995)
	14,566		14,566
			818
	1,816		3,816
(33,710)	(203,732)		(1,027,514)
15,123	(24,396)	21,475	361,869
246,089	2,232,992	(325,710)	5,193,920
\$ 261,212	2,208,596	(304,235)	\$ 5,555,789

REVENUES:

Taxes

Licenses, permits and franchises

Fines, forfeitures and penalties

Revenue from use of money and property:

Investment income (Note 4)

Rents and concessions (Note 8)

Royalties

Intergovernmental revenues:

Federal

State

Other

Charges for services

Miscellaneous

TOTAL REVENUES

EXPENDITURES:

Current:

General government

Public protection

Public ways and facilities

Health and sanitation

Public assistance

Education

Recreation and cultural services

Debt service:

Principal

Interest and other charges

Capital leases

Capital outlay

TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES OVER
EXPENDITURES

OTHER FINANCING SOURCES (USES):

Transfers in (Note 13)

Transfers out (Note 13)

Issuance of debt (Note 9)

Payment to refunded bonds escrow agent (Note 9)

Bond premium proceeds (Note 9)

Capital leases (Note 8)

Sales of capital assets

TOTAL OTHER FINANCING SOURCES (USES)

NET CHANGE IN FUND BALANCES

FUND BALANCE JULY 1, 2006

FUND BALANCE JUNE 30, 2007

COUNTY OF LOS ANGELES
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

Net change in fund balances - total governmental funds (page 31) \$ 361,869

Amounts reported for governmental activities in the statement of activities
 are different because:

Governmental funds report capital outlay as expenditures. However, in
 the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense:

Expenditures for general capital assets, infrastructure and other related capital asset adjustments	\$ 400,933	
Less - current year depreciation expense	<u>(265,097)</u>	135,836

In the statement of activities, only the gain or loss on the disposal of capital
 assets is reported, whereas in the governmental funds, the proceeds from
 the sale are reported as an increase in financial resources. Thus, the change in
 net assets differs from the change in fund balance (7,171)

Contribution of capital assets is not recognized in the governmental funds. 374,704

Revenue timing differences result in more revenue in government-wide
 statements 80,104

Issuance of long-term debt along with any bond premium provides revenue in the
 governmental funds, but increases long-term liabilities in the statement of net assets. (19,816)

Repayment of debt principal is an expenditure in the governmental funds,
 but the repayment reduces long-term liabilities in the statement of net assets:

Pension bonds	\$ 131,719	
General obligation bonds	9,105	
Certificates of participation	138,230	
Assessment bonds	21,475	
Other long term notes and loans	<u>27,328</u>	327,857

Some expenses reported in the accompanying statement of activities do not
 require (or provide) the use of current financial resources and, therefore, are
 not reported as expenditures in governmental funds:

Change in workers' compensation	\$ 139,980	
Change in litigation/self-insurance	59,622	
Change in accrued vacation/sick leave	(66,268)	
Change in third party payor liability	577	
Change in accrued interest payable	(1,479)	
Accretion of tobacco settlement bonds	(18,495)	
Accretion of pension bonds	<u>22,853</u>	136,790

The change in the net pension obligation (an asset) is not recognized in
 governmental funds. (63,039)

The portion of internal service funds that is reported with governmental activities. 7,927

Change in net assets of governmental activities (page 25) \$ 1,335,061

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 3,434,093	3,526,669	3,563,294	36,625
Licenses, permits and franchises	54,364	55,954	61,138	5,184
Fines, forfeitures and penalties	200,190	201,696	234,748	33,052
Revenue from use of money and property:				
Investment income	78,412	160,653	220,977	60,324
Rents and concessions	50,559	50,559	67,984	17,425
Royalties	156	156	280	124
Intergovernmental revenues:				
Federal	3,027,325	3,047,620	2,690,846	(356,774)
State	4,377,133	4,489,944	4,333,052	(156,892)
Other	99,937	100,699	96,539	(4,160)
Charges for services	1,644,239	1,553,172	1,503,659	(49,513)
Miscellaneous	112,223	212,388	238,561	26,173
TOTAL REVENUES	13,078,631	13,399,510	13,011,078	(388,432)
EXPENDITURES:				
Current:				
General government	1,246,807	1,146,202	769,193	(377,009)
Public protection	4,073,853	4,170,369	4,040,507	(129,862)
Health and sanitation	2,371,347	2,389,938	2,192,620	(197,318)
Public assistance	4,748,212	4,813,492	4,497,898	(315,594)
Recreation and cultural services	232,983	236,272	223,823	(12,449)
Debt Service-				
Interest	17,682	17,682	17,682	
Capital Outlay	1,171,747	1,204,642	154,137	(1,050,505)
TOTAL EXPENDITURES	13,862,631	13,978,597	11,895,860	(2,082,737)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(784,000)	(579,087)	1,115,218	1,694,305
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	704	704	1,110	406
Transfers in	366,832	391,427	185,138	(206,289)
Transfers out	(989,757)	(968,146)	(957,820)	10,326
Appropriation for contingencies		(130,337)		130,337
Changes in reserves and designations	336,393	215,611	292,883	77,272
OTHER FINANCING SOURCES (USES) - NET	(285,828)	(490,741)	(478,689)	12,052
NET CHANGE IN FUND BALANCE	(1,069,828)	(1,069,828)	636,529	1,706,357
FUND BALANCE, JULY 1, 2006 (Note 14)	1,069,828	1,069,828	1,069,828	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		1,706,357	1,706,357

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 FIRE PROTECTION DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 584,453	584,453	580,299	(4,154)
Licenses, permits and franchises	8,279	8,279	9,228	949
Fines, forfeitures and penalties	2,878	2,878	3,041	163
Revenue from use of money and property:				
Investment income	308	308	2,229	1,921
Rents and concessions	86	86	80	(6)
Intergovernmental revenues:				
Federal	13,124	13,204	14,383	1,179
State	14,891	15,561	16,317	756
Other	20,291	20,291	29,810	9,519
Charges for services	146,661	155,657	166,120	10,463
Miscellaneous	293	293	133	(160)
TOTAL REVENUES	791,264	801,010	821,640	20,630
EXPENDITURES:				
Current-Public protection:				
Salaries and employee benefits	647,095	654,622	644,851	(9,771)
Services and supplies	107,242	124,845	106,202	(18,643)
Other charges	1,093	1,093	865	(228)
Capital assets	19,390	26,461	24,191	(2,270)
TOTAL EXPENDITURES	774,820	807,021	776,109	(30,912)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,444	(6,011)	45,531	51,542
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	47	47	287	240
Transfers out	(30,823)	(30,823)	(30,823)	
Appropriation for contingencies	(5,490)	(2,090)		2,090
Changes in reserves and designations	(38,880)	(19,825)	(17,070)	2,755
OTHER FINANCING SOURCES (USES) - NET	(75,146)	(52,691)	(47,606)	5,085
NET CHANGE IN FUND BALANCE	(58,702)	(58,702)	(2,075)	56,627
FUND BALANCE, JULY 1, 2006 (Note 14)	58,702	58,702	58,702	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		56,627	56,627

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 FLOOD CONTROL DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2007 (In thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 85,568	87,941	87,912	(29)
Licenses, permits and franchises	501	501	514	13
Fines, forfeitures and penalties	1,150	1,150	1,059	(91)
Revenue from use of money and property:				
Investment income	2,305	3,814	6,070	2,256
Rents and concessions	8,305	8,305	6,995	(1,310)
Royalties	170	170	306	136
Intergovernmental revenues:				
Federal	8,350	8,350	5,375	(2,975)
State	7,516	7,516	9,324	1,808
Other	2,772	2,772	4,824	2,052
Charges for services	112,963	112,963	112,993	30
Miscellaneous	1,802	1,802	187	(1,615)
TOTAL REVENUES	231,402	235,284	235,559	275
EXPENDITURES:				
Current-Public protection:				
Services and supplies	189,953	207,438	207,437	(1)
Other charges	20,066	19,398	19,397	(1)
Capital assets	17,460	15,243	11,851	(3,392)
TOTAL EXPENDITURES	227,479	242,079	238,685	(3,394)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,923	(6,795)	(3,126)	3,669
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			600	600
Transfers in	14,130	14,130	11,688	(2,442)
Transfers out	(942)	(2,026)	(2,026)	
Appropriation for contingencies	(2,787)	(5,185)		5,185
Changes in reserves and designations	(21,966)	(7,766)	1,527	9,293
OTHER FINANCING SOURCES (USES) - NET	(11,565)	(847)	11,789	12,636
NET CHANGE IN FUND BALANCE	(7,642)	(7,642)	8,663	16,305
FUND BALANCE, JULY 1, 2006 (Note 14)	7,642	7,642	7,642	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		16,305	16,305

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 PUBLIC LIBRARY
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	PUBLIC LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 66,545	66,897	66,868	(29)
Fines, forfeitures and penalties			477	477
Revenue from use of money and property:				
Investment income	150	532	763	231
Rents and concessions	15	15	19	4
Intergovernmental revenues:				
Federal	73	73	107	34
State	2,682	2,682	2,951	269
Other	876	876	1,263	387
Charges for services	2,400	2,400	2,372	(28)
Miscellaneous	1,291	1,291	562	(729)
TOTAL REVENUES	74,032	74,766	75,382	616
EXPENDITURES:				
Current-Education:				
Salaries and employee benefits	70,874	70,874	63,269	(7,605)
Services and supplies	50,283	48,874	39,179	(9,695)
Other charges	840	840	732	(108)
Capital assets	390	640	598	(42)
TOTAL EXPENDITURES	122,387	121,228	103,778	(17,450)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(48,355)	(46,462)	(28,396)	18,066
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			4	4
Transfers in	45,332	44,173	35,294	(8,879)
Transfers out	(3,328)	(3,328)	(3,328)	
Appropriation for contingencies		(734)		734
Changes in reserves and designations	(1,691)	(1,691)	(821)	870
OTHER FINANCING SOURCES (USES) - NET	40,313	38,420	31,149	(7,271)
NET CHANGE IN FUND BALANCE	(8,042)	(8,042)	2,753	10,795
FUND BALANCE, JULY 1, 2006 (Note 14)	8,042	8,042	8,042	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		10,795	10,795

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 REGIONAL PARK AND OPEN SPACE DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	\$ 1,135	1,135	793	(342)
Revenue from use of money and property-				
Investment income	6,469	6,469	12,680	6,211
Charges for services	78,236	78,236	78,129	(107)
TOTAL REVENUES	85,840	85,840	91,602	5,762
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	4,227	4,227	3,117	(1,110)
Other charges	145,163	129,755	39,954	(89,801)
TOTAL EXPENDITURES	149,390	133,982	43,071	(90,911)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,550)	(48,142)	48,531	96,673
OTHER FINANCING SOURCES (USES):				
Transfers in	61,530	61,530	65,453	3,923
Transfers out	(85,642)	(101,050)	(99,164)	1,886
Appropriation for contingencies	(12,374)	(12,374)		12,374
Changes in reserves and designations	(52,872)	(52,872)	(49,708)	3,164
OTHER FINANCING SOURCES (USES) - NET	(89,358)	(104,766)	(83,419)	21,347
NET CHANGE IN FUND BALANCE	(152,908)	(152,908)	(34,888)	118,020
FUND BALANCE, JULY 1, 2006 (Note 14)	154,588	154,588	154,588	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$ 1,680	1,680	119,700	118,020

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30 2007 (in thousands)

BUSINESS-TYPE ACTIVITIES -

	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. - Harbor Hospital	Rancho Los Amigos National Rehab Center
ASSETS					
Current assets:					
Pooled cash and investments: (Notes 1 and 4)					
Operating (Note 1)	\$ 530	465	113,928	492	190
Other (Note 1)	9,808	12,620	23,632	7,428	2,772
Total pooled cash and investments	10,338	13,085	137,560	7,920	2,962
Other investments (Note 4)					
Taxes receivable					
Accounts receivable - net (Note 12)	114,933	76,515	184,363	118,391	76,860
Interest receivable	10	13	1,120	4	1
Other receivables	4,652	6,118	12,581	5,025	1,234
Due from other funds (Note 13)	69,682	71,520	275,053	24,407	19,899
Advances to other funds (Note 13)					
Inventories	3,860	4,086	13,039	3,281	1,193
Total current assets	203,475	171,337	623,716	159,028	102,149
Noncurrent assets:					
Restricted assets (Note 4)	3,325	6,892	6,322	160	589
Net pension obligation (Note 6)	7,190	6,238	18,880	8,012	5,176
Capital assets: (Notes 5 and 8)					
Land and easements	1,001	15,171	18,183	2,277	217
Buildings and improvements	77,672	152,939	164,112	195,357	187,179
Equipment	29,902	23,207	78,413	46,701	10,773
Infrastructure					
Construction in progress	21,313	69	827,697		6,550
Less accumulated depreciation	(68,113)	(95,933)	(192,019)	(135,088)	(97,187)
Total capital assets - net	61,775	95,453	896,386	109,247	107,532
Total noncurrent assets	72,290	108,583	921,588	117,419	113,297
TOTAL ASSETS	275,765	279,920	1,545,304	276,447	215,446
LIABILITIES					
Current liabilities:					
Accounts payable	10,361	10,490	39,209	9,733	2,363
Accrued payroll	22,543	17,140	41,982	13,195	7,358
Other payables	1,911	1,610	2,977	1,671	925
Accrued interest payable	94	50	90	218	232
Due to other funds (Note 13)	34,842	57,109	134,904	26,370	7,280
Advances from other funds (Note 13)	74,487	37,228	161,123	53,366	70,487
Unearned revenue (Note 6)	682	592	4,946	761	491
Current portion of long-term liabilities (Note 9)	34,421	34,654	82,473	41,657	21,475
Total current liabilities	179,341	158,873	467,704	146,971	110,611
Noncurrent liabilities:					
Accrued vacation and sick leave (Note 9)	25,086	23,665	44,764	12,942	2,841
Bonds and notes payable (Note 9)	11,487		15,939	42,976	40,105
Pension bonds payable (Notes 6 and 9)	32,675	28,349	85,798	36,412	23,521
Capital lease obligations (Notes 8 and 9)					273
Workers' compensation (Notes 9 and 16)	29,998	27,154	133,810	66,560	25,013
Litigation and self-insurance (Notes 9 and 16)	31,112	21,425	101,588	44,387	11,946
Third party payor liability (Notes 9 and 12)	14,040	7,759	43,784	18,557	2,528
Total noncurrent liabilities	144,398	108,352	425,683	221,834	106,227
TOTAL LIABILITIES	323,739	267,225	893,387	368,805	216,838
NET ASSETS					
Invested in capital assets, net of related debt (Notes 5 and 9)	47,682	90,162	880,736	65,429	65,703
Restricted:					
Debt service	3,231	6,842	6,232		357
Special purpose					
Unrestricted (deficit)	(98,887)	(84,309)	(235,051)	(157,787)	(67,452)
TOTAL NET ASSETS (DEFICIT) (Note 2)	\$ (47,974)	12,695	651,917	(92,358)	(1,392)

The notes to the basic financial statements are an integral part of this statement

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 84,194	3 725	\$ 203,524	\$ 39 767
1,667	9	57,936	7,484
85,861	3,734	261,460	47,251
731	78,720	78,720	8,193
		731	
		571,062	
643	10	1,801	394
8,847	4,857	43,314	170
1,769	58	462,388	76,510
1,164		1,164	
		25,459	7,950
99,015	87,379	1,446,099	140,468
		17,288	15,708
		45,496	8 778
9,441	199,160	245,450	
117,000	176,785	1,071,044	1,734
225	2,992	192,213	196,163
1,094,778	40,240	1,135,018	
16,853	378	872,860	
(432,472)	(182,794)	(1,203,606)	(114,137)
805,825	236,761	2,312,979	83,760
805,825	236,761	2,375,763	108,246
904,840	324,140	3,821,862	248,714
1,040	2,671	75,867	4,537
		102,218	19,989
	1 700	10,794	1,581
		684	860
6,081	304	266,890	33,103
		396,691	22,000
140	308	7,920	990
17	1,109	215,806	51,572
7,278	6,092	1,076,870	134,632
	133	109,431	34,667
104	4,498	115,109	28 385
		206,755	39,891
		273	60
		282,535	60,395
		210,458	20,779
		86,668	
104	4,631	1,011,229	184,177
7,382	10,723	2,088,099	318,809
805,704	231,553	2,186,969	56,464
91,754		108,416	2,380
	79,127	79,127	
	2,737	(640,749)	(128,939)
\$ 897,458	313,417	1,733,763	\$ (70,095)
		2,811	
		\$ 1,736,574	

ASSETS

Current assets:

Pooled cash and investments: (Notes 1 and 4)

Operating (Note 1)

Other (Note 1)

Total pooled cash and investments

Other investments (Note 4)

Taxes receivable

Accounts receivable - net (Note 12)

Interest receivable

Other receivables

Due from other funds (Note 13)

Advances to other funds (Note 13)

Inventories

Total current assets

Noncurrent assets:

Restricted assets (Note 4)

Net pension obligation (Note 6)

Capital assets: (Notes 5 and 8)

Land and easements

Buildings and improvements

Equipment

Infrastructure

Construction in progress

Less accumulated depreciation

Total capital assets - net

Total noncurrent assets

TOTAL ASSETS

LIABILITIES

Current liabilities:

Accounts payable

Accrued payroll

Other payables

Accrued interest payable

Due to other funds (Note 13)

Advances from other funds (Note 13)

Unearned revenue (Note 6)

Current portion of long-term liabilities (Note 9)

Total current liabilities

Noncurrent liabilities:

Accrued vacation and sick leave (Note 9)

Bonds and notes payable (Note 9)

Pension bonds payable (Notes 6 and 9)

Capital lease obligations (Notes 8 and 9)

Workers' compensation (Notes 9 and 16)

Litigation and self-insurance (Notes 9 and 16)

Third party payor liability (Notes 9 and 12)

Total noncurrent liabilities

TOTAL LIABILITIES

NET ASSETS

Invested in capital assets, net of related debt
(Notes 5 and 9)

Restricted:

Debt service

Special purpose

Unrestricted (deficit)

TOTAL NET ASSETS (DEFICIT) (Note 2)

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds

NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 23)

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr - Harbor Hospital	Rancho Los Amigos National Rehab Center
OPERATING REVENUES:					
Net patient service revenues (Note 12)	\$ 413,089	343,464	701,964	308,494	123,827
Rentals					
Charges for services					
Other	17,463	15,195	45,977	11,970	3,923
TOTAL OPERATING REVENUES	430,552	358,659	747,941	320,464	127,750
OPERATING EXPENSES:					
Salaries and employee benefits	300,491	238,739	582,583	195,825	95,470
Services and supplies	82,816	85,672	205,177	58,882	23,724
Other professional services	103,352	100,868	283,396	124,693	29,576
Depreciation and amortization (Note 5)	2,692	2,975	2,136	3,398	2,342
Medical malpractice	1,700	1,339	7,851		
Rent	4,048	3,368	12,781	2,763	1,979
TOTAL OPERATING EXPENSES	495,099	432,961	1,093,924	385,561	153,091
OPERATING INCOME (LOSS)	(64,547)	(74,302)	(345,983)	(65,097)	(25,341)
NONOPERATING REVENUES (EXPENSES):					
Taxes					
Interest income	425	419	7,281	1,296	243
Interest expense	(10,508)	(8,817)	(23,238)	(11,482)	(9,170)
Intergovernmental transfers expense (Note 12)	(50,412)	(37,890)	(118,946)	(54,944)	(6,323)
Intergovernmental revenues:					
State					
Federal					
TOTAL NONOPERATING REVENUES (EXPENSES)	(60,495)	(46,288)	(134,903)	(65,130)	(15,250)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(125,042)	(120,590)	(480,886)	(130,227)	(40,591)
Capital contributions			12,911		
Transfers in (Note 13)	154,098	191,220	586,610	129,269	47,386
Transfers out (Note 13)	(36)	(464)	(54,642)	(16)	(1)
CHANGE IN NET ASSETS	29,020	70,166	63,993	(974)	6,794
TOTAL NET ASSETS (DEFICIT), JULY 1, 2006	(76,994)	(57,471)	587,924	(91,384)	(8,186)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2007	\$ (47,974)	12,695	651,917	(92,358)	(1,392)

The notes to the basic financial statements are an integral part of this statement

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$		\$ 1,890,838	\$	OPERATING REVENUES:
	13,769	13,769	23,081	Net patient service revenues (Note 12)
79,547	452	79,999	373,662	Rentals
610	879	96,017		Charges for services
				Other
80,157	15,100	2,080,623	396,743	TOTAL OPERATING REVENUES
		1,413,108	284,521	OPERATING EXPENSES:
73,492	212,701	742,464	54,982	Salaries and employee benefits
1,518	237	643,640	11,316	Services and supplies
22,482	2,943	38,968	34,726	Other professional services
		10,890		Depreciation and amortization (Note 5)
		24,939		Medical malpractice
				Rent
97,482	215,881	2,874,009	385,545	TOTAL OPERATING EXPENSES
(17,335)	(200,781)	(793,386)	11,198	OPERATING INCOME (LOSS)
3,782		3,782		NONOPERATING REVENUES (EXPENSES):
4,217	4,196	18,077	1,266	Taxes
(12)	(319)	(63,546)	(10,026)	Interest income
		(268,515)		Interest expense
				Intergovernmental transfers expense (Note 12)
108	10	118		Intergovernmental revenues:
85	232,120	232,205	251	State
				Federal
8,180	236,007	(77,879)	(8,509)	TOTAL NONOPERATING REVENUES (EXPENSES)
(9,155)	35,226	(871,265)	2,689	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
		12,911		Capital contributions
		1 108,583	3,384	Transfers in (Note 13)
(391)	(4,232)	(59,782)	(221)	Transfers out (Note 13)
(9,546)	30,994	190,447	5,852	CHANGE IN NET ASSETS
907,004	282,423		(75,947)	TOTAL NET ASSETS (DEFICIT), JULY 1, 2006
\$ 897,458	313,417		\$ (70,095)	TOTAL NET ASSETS (DEFICIT), JUNE 30 2007
		(2,075)		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		\$ 188,372		CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 25)

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr - Harbor Hospital	Rancho Los Amigos National Rehab Center
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from patient services	\$ 391,451	311,920	841,230	365,642	113,891
Rentals received					
Cash received from charges for services					
Other operating revenues	17,468	15,201	45,981	11,970	3,929
Cash received for services provided to other funds	11,995	15,959	25,550	10,728	124
Cash paid for salaries and employee benefits	(299,081)	(234,599)	(590,733)	(211,055)	(104,981)
Cash paid for services and supplies	(34,557)	(23,794)	(157,188)	(21,564)	(24,427)
Other operating expenses	(110,987)	(105,329)	(306,462)	(132,546)	(32,499)
Cash paid for services from other funds	(36,274)	(30,817)	(98,429)	(40,707)	(17,316)
Net cash provided by (required for) operating activities	(59,985)	(51,459)	(240,051)	(17,532)	(61,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash advances received from other funds	155,252	65,832	373,280	143,583	105,691
Cash advances paid/returned to other funds	(180,362)	(141,017)	(415,112)	(178,143)	(71,094)
Interest paid on pension bonds	(6,437)	(5,585)	(16,904)	(7,174)	(4,635)
Interest paid on advances	(2,384)	(2,399)	(5,325)	(1,859)	(1,932)
Intergovernmental transfers	(50,412)	(37,890)	(118,946)	(54,944)	(6,323)
Intergovernmental receipts					
Transfers in	154,098	191,220	586,610	129,269	47,386
Transfers out	(36)	(464)	(54,642)	(16)	(1)
Net cash provided by (required for) noncapital financing activities	69,719	69,697	348,961	30,716	69,092
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from taxes					
Capital contributions			12,911		
Proceeds from bonds and notes					
Interest paid on capital borrowing	(1,806)	(880)	(1,149)	(2,784)	(2,891)
Principal payments on bonds and notes	(1,576)	(9,440)	(2,094)	(4,979)	(3,868)
Principal payments on capital leases	(148)	(16)			(114)
Acquisition and construction of capital assets	(5,681)	(3,851)	(148,644)	(4,660)	(369)
Net cash required for capital and related financing activities	(9,211)	(14,187)	(138,976)	(12,423)	(7,242)
CASH FLOWS FROM INVESTING ACTIVITIES -					
Interest income received	127	157	6,307	967	33
Net increase (decrease) in cash and cash equivalents	650	4,208	(23,759)	1,728	604
Cash and cash equivalents, July 1, 2006	13,013	15,769	167,641	6,352	2,947
Cash and cash equivalents, June 30, 2007	\$ 13,663	19,977	143,882	8,080	3,551

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$		\$ 2 024,134	\$
	11,557	11,557	23,376
76,973	633	77,606	354,922
610	879	96,038	
		64,356	
	(116)	(1,440,565)	(287,724)
(47,820)	(212,262)	(521,612)	(46,866)
(1,518)	(237)	(689,578)	(11,316)
		(223,543)	
28,245	(199,546)	(601,607)	32,392
		843,638	
		(985,728)	
		(40,735)	(7,860)
		(13,899)	
		(268,515)	
193	232,130	232,323	251
		1,108,583	3,384
(391)	(4,232)	(59,782)	(221)
(198)	227,898	815,885	(4,446)
		3,768	
3,768		12,911	
	6	6	20,000
(12)	(319)	(9,841)	(1,532)
(15)	(660)	(22,632)	(14,520)
		(278)	(108)
(15,693)	(1,375)	(180,273)	(22,402)
(11,952)	(2,348)	(196,339)	(18,562)
		3,963	956
3,963	4,186	15,740	
20,058	30,190	33,679	10,340
65,803	52,264	323,789	60,812
\$ 85,861	82,454	\$ 357,468	\$ 71,152

CASH FLOWS FROM OPERATING
ACTIVITIES:

Cash received from patient services
Rentals received
Cash received from charges for services
Other operating revenues
Cash received for services provided to other funds
Cash paid for salaries and employee benefits
Cash paid for services and supplies
Other operating expenses
Cash paid for services from other funds
Net cash provided by (required for) operating
activities

CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES:

Cash advances received from other funds
Cash advances paid/returned to other funds
Interest paid on pension bonds
Interest paid on advances
Intergovernmental transfers
Intergovernmental receipts
Transfers in
Transfers out
Net cash provided by (required for)
noncapital financing activities

CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:

Proceeds from taxes
Capital contributions
Proceeds from bonds and notes
Interest paid on capital borrowing
Principal payments on bonds and notes
Principal payments on capital leases
Acquisition and construction of capital assets
Net cash required for capital
and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES -
Interest income received

Net increase (decrease) in cash and cash
equivalents

Cash and cash equivalents July 1, 2006

Cash and cash equivalents June 30, 2007

Continued

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ (17,335)	(200,781)	\$ (793,386)	\$ 11,198	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:
				Operating income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:
22,482	2,943	38,968	34,726	Depreciation and amortization
27,509	125	22,407	(454)	Other charges - net
		(4,421)		(Increase) decrease in:
			(136)	Accounts receivable - net
(1,603)	(1,862)	(8,780)	(10)	Interest receivable
(971)	(57)	280,793	(18,298)	Other receivables
		377	(428)	Due from other funds
		23,476	4,530	Inventories
				Net pension obligation
				Increase (decrease) in:
(3,161)	341	(17,081)	(1,245)	Accounts payable
		12,088	1,718	Accrued payroll
	(128)	2,961	588	Other payables
	(116)	8,784	3,262	Accrued vacation and sick leave
1,324	101	(7,574)	10,276	Due to other funds
	(112)	2,447	(1)	Unearned revenue
		(57,565)	(11,107)	Pension bonds payable
		(24,176)	(3,293)	Workers' compensation liability
		(3,933)	1,066	Litigation and self-insurance liability
		(76,992)		Third party payor liability
45,580	1,235	191,779	21,194	TOTAL ADJUSTMENTS
\$ 28,245	(199,546)	\$ (601,607)	\$ 32,392	NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES
				RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:
\$ 85,861	3,734	\$ 261,460	\$ 47,251	Pooled cash and investments
	78,720	78,720	8,193	Other investments
		17,288	15,708	Restricted assets
\$ 85,861	82,454	\$ 357,468	\$ 71,152	TOTAL

COUNTY OF LOS ANGELES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2007 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	AGENCY FUNDS
ASSETS			
Pooled cash and investments (Note 4)	\$ 27,789	\$ 11,555,116	\$ 1,105,091
Other investments: (Note 4)		1,246,716	14,714
Stocks	21,955,745		
Bonds	10,388,361		
Short-term investments	1,418,843		
Commodities	410,932		
Real estate	4,126,103		
Mortgages	256,791		
Alternative assets	2,791,924		
Cash collateral on loaned securities	3,126,337		222,286
Taxes receivable	137,271	180,017	3,995
Interest receivable	450,483		
Other receivables			
TOTAL ASSETS	<u>45,090,579</u>	<u>12,981,849</u>	<u>\$ 1,346,086</u>
LIABILITIES			
Accounts payable	988,225		
Other payables (Note 4)	3,194,248		
Due to other governments			1,346,086
TOTAL LIABILITIES	<u>4,182,473</u>		<u>\$ 1,346,086</u>
NET ASSETS			
Held in trust for pension benefits and investment trust participants	<u>\$ 40,908,106</u>	<u>\$ 12,981,849</u>	

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS
ADDITIONS:		
Contributions:		
Pension trust contributions:		
Employer	\$ 751,928	\$
Member	347,701	
Contributions to investment trust funds		40,069,963
Total contributions	1,099,629	40,069,963
Investment earnings:		
Investment income	3,794,202	657,217
Net increase in the fair value of investments	2,760,428	
Securities lending income (Note 4)	149,925	
Total investment earnings	6,704,555	657,217
Less - Investment expenses:		
Expense from investing activities	75,922	
Expense from securities lending activities (Note 4)	141,449	
Total net investment expense	217,371	
Net investment earnings	6,487,184	657,217
Miscellaneous	1,803	
TOTAL ADDITIONS	7,588,616	40,727,180
DEDUCTIONS:		
Salaries and employee benefits	30,358	
Services and supplies	13,522	
Benefit payments	1,803,984	
Distribution from investment trust funds		38,335,395
Miscellaneous	18,235	
TOTAL DEDUCTIONS	1,866,099	38,335,395
CHANGE IN NET ASSETS	5,722,517	2,391,785
NET ASSETS HELD IN TRUST, JULY 1, 2006	35,185,589	10,590,064
NET ASSETS HELD IN TRUST, JUNE 30, 2007	\$ 40,908,106	\$ 12,981,849

The notes to the basic financial statements are an integral part of this statement



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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors
 County of Los Angeles, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Los Angeles, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Development Commission (CDC) and the Los Angeles County Employees Retirement Association (LACERA), which represent the following percentages of the assets, net assets or fund balances, and revenues of the following opinion units:

Opinion Unit	Assets	Net assets or fund balance	Revenues
Governmental Activities	1%	1%	1%
Business-type Activities	5%	9%	10%
Aggregate Remaining Fund Information	75%	73%	16%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for CDC and LACERA, are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the

aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fire Protection District, the Flood Control District, the Public Library, and the Regional Park and Open Space District, for the year then ended in conformity with accounting principles generally accepted in the United States of America

The management's discussion and analysis on pages 3 through 21 and the schedule of funding progress on page 99 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion on them.

Macias Tini & O'Connell LLP

Certified Public Accountants

Los Angeles, California
December 13, 2007

COUNTY OF LOS ANGELES MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County's Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of financial activities for the fiscal year ended June 30, 2007. We recommend that this information be used in conjunction with additional information contained in the letter of transmittal.

Financial Highlights

At the end of the current year, the net assets (total assets less total liabilities) of the County were positive \$17.177 billion. However, net assets are classified into three categories and the unrestricted component is negative \$836 million. See further discussion on page 7.

During the current year, the County's net assets increased by a total of \$1.523 billion. Net assets related to governmental activities increased by \$1.335 billion, while net assets related to business-type activities increased by \$188 million.

At the end of the current year, the County's General Fund reported a total fund balance of \$3.08 billion. The amount of unreserved fund balance was \$2.602 billion. Of the unreserved total, \$1.235 billion was designated.

The County's capital asset balances were \$17.258 billion at year-end and increased by \$612 million during the year.

During the current year, the County's total long-term debt decreased by \$373 million. Bond maturities of \$757 million exceeded the \$384 million of newly issued and accreted long-term debt.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

BASIC FINANCIAL STATEMENTS

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
JUNE 30 2007 (in thousands)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL	BUSINESS-TYPE		
	ACTIVITIES	ACTIVITIES	TOTAL	FIRST 5 LA
ASSETS				
Pooled cash and investments: (Notes 1 and 4)				
Operating (Note 1)	\$ 3,965,791	\$ 205,875	\$ 4,171,666	\$ 163,111
Other (Note 1)	905,740	57,965	963,705	
Total pooled cash and investments	4,871,531	263,840	5,135,371	163,111
Other investments (Note 4)	303,363	78,720	382,083	679,422
Taxes receivable	344,068	731	344,799	
Accounts receivable - net		584,767	584,767	
Interest receivable	48,115	1,853	49,968	12,237
Other receivables	1,514,618	29,610	1,544,228	21,839
Internal balances (Note 13)	200,022	(200,022)		
Inventories	95,447	25,459	120,906	
Restricted assets (Note 4)	9,268	23,728	32,996	
Net pension obligation (Note 6)	130,944	45,496	176,440	
Capital assets: (Notes 5 and 8)				
Capital assets, not being depreciated	7,433,679	1,118,310	8,551,989	2,039
Capital assets, net of accumulated depreciation	7,496,296	1,209,806	8,706,102	11,513
Total capital assets	14,929,975	2,328,116	17,258,091	13,552
TOTAL ASSETS	22,447,351	3,182,298	25,629,649	890,161
LIABILITIES				
Accounts payable	359,139	76,533	435,672	27,661
Accrued payroll	454,588	102,218	556,806	
Other payables	108,859	11,135	119,994	
Accrued interest payable	18,432	684	19,116	
Unearned revenue (Note 6)	93,365	7,920	101,285	1,782
Advances payable	287,580		287,580	
Noncurrent liabilities: (Notes 6, 8, 9, 12 and 16)				
Due within one year	847,541	224,367	1,071,908	72
Due in more than one year	4,837,223	1,022,867	5,860,090	159
TOTAL LIABILITIES	7,006,727	1,445,724	8,452,451	29,674
NET ASSETS				
Invested in capital assets, net of related debt				
(Notes 5 and 9)	14,192,494	2,190,999	16,383,493	13,552
Restricted for:				
Capital projects	150,980		150,980	
Debt service	1,143	107,139	108,282	
Permanent trust	3,380		3,380	
Special purpose	1,287,580	79,127	1,366,707	846,935
Unrestricted (deficit)	(194,953)	(640,691)	(835,644)	
TOTAL NET ASSETS	\$ 15,440,624	\$ 1,736,574	\$ 17,177,198	\$ 860,487

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

FUNCTIONS	EXPENSES	PROGRAM REVENUE		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 807,155	\$ 451,050	\$ 39,316	\$ 7,697
Public protection	4,872,413	1,189,730	1,178,230	2,687
Public ways and facilities	282,827	31,390	217,637	
Health and sanitation	2,223,695	518,893	1,505,926	2,365
Public assistance	4,539,458	28,421	4,034,618	
Education	99,136	3,853	2,529	
Recreation and cultural services	266,967	173,531	2,293	12,386
Interest on long-term debt	239,608			
Total governmental activities	13,331,259	2,396,868	6,980,549	25,135
Business-type activities:				
Hospitals	2,894,493	1,864,209	71,636	12,911
Aviation	5,761	2,914	1,878	81
Waterworks	97,504	79,547	158	
Community Development Commission	211,077	11,309	231,048	
Total business-type activities	3,208,835	1,957,979	304,720	12,992
Total primary government	\$ 16,540,094	\$ 4,354,847	\$ 7,285,269	\$ 38,127
COMPONENT UNIT -				
First 5 LA	\$ 137,489	\$	\$ 139,466	\$

GENERAL REVENUES:

Taxes:

Property taxes

Utility users taxes

Voter approved taxes

Documentary transfer taxes

Other taxes

Sales and use taxes levied by the State

Grants and contributions not restricted

to special programs

Investment earnings

Miscellaneous

SPECIAL ITEM - Contribution of Disney Hall (Note 5)

TRANSFERS - NET

Total general revenues and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2006

NET ASSETS, JUNE 30, 2007

The notes to the basic financial statements are an integral part of this statement

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			COMPONENT UNIT
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 LA
\$ (309,092)	\$	\$ (309,092)	
(2,501,766)		(2,501,766)	
(33,800)		(33,800)	
(196,511)		(196,511)	
(476,419)		(476,419)	
(92,754)		(92,754)	
(78,757)		(78,757)	
(239,608)		(239,608)	
(3,928,707)		(3,928,707)	
	(945,737)	(945,737)	
	(888)	(888)	
	(17,799)	(17,799)	
	31,280	31,280	
	(933,144)	(933,144)	
(3,928,707)	(933,144)	(4,861,851)	
			\$ 1,977
4,142,889	3,782	4,146,671	
65,457		65,457	
253,690		253,690	
87,930		87,930	
55,038		55,038	
83,591		83,591	
761,705	35	761,740	
335,851	18,043	353,894	42,823
259,357	50,443	309,800	291
267,473		267,473	
(1,049,213)	1,049,213		
5,263,768	1,121,516	6,385,284	43,114
1,335,061	188,372	1,523,433	45,091
14,105,563	1,548,202	15,653,765	815,396
\$ 15,440,624	\$ 1,736,574	\$ 17,177,198	\$ 860,487

FUNCTIONS

PRIMARY GOVERNMENT:

Governmental activities:

General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Education
Recreation and cultural services
Interest on long-term debt
Total governmental activities

Business-type activities:

Hospitals
Aviation
Waterworks
Community Development Commission
Total business-type activities

Total primary government

COMPONENT UNIT -

Total - First 5 LA

GENERAL REVENUES:

Taxes:

Property taxes
Utility users taxes
Voter approved taxes
Documentary transfer taxes
Other taxes

Sales and use taxes, levied by the State
Grants and contributions not restricted
to special programs

Investment earnings

Miscellaneous

SPECIAL ITEM - Contribution of Disney Hall (Note 5)

TRANSFERS - NET

Total general revenues and transfers

CHANGE IN NET ASSETS

NET ASSETS, JULY 1, 2006

NET ASSETS, JUNE 30, 2007

COUNTY OF LOS ANGELES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30 2007 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
ASSETS:				
Pooled cash and investments: (Notes 1 and 4)				
Operating (Note 1)	\$ 1,882,867	84,507	135,097	21,695
Other (Note 1)	785,987	55,626	8,781	3,556
Total pooled cash and investments	2,668,854	140,133	143,878	25,251
Other investments (Notes 3 and 4)	6,400			121
Taxes receivable	248,095	54,186	15,731	7,189
Interest receivable	33,096	697	990	210
Other receivables	1,324,587	27,006	10,863	248
Due from other funds (Note 13)	370,124	4,486	13,158	762
Advances to other funds (Note 13)	400,280		6,213	
Inventories	42,561	6,247		1,108
TOTAL ASSETS	\$ 5,093,997	232,755	190,833	34,889
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 300,087	7,242	2,871	2,912
Accrued payroll	392,779	37,171		4,184
Other payables	86,055	1,996		340
Due to other funds (Note 13)	602,358	6,064	25,285	2,056
Deferred revenue (Note 6)	338,714	38,341	15,059	5,184
Advances payable	278,023			
Third party payor liability (Notes 9 and 12)	15,537			
TOTAL LIABILITIES	2,013,553	90,814	43,215	14,676
FUND BALANCES:				
Reserved for:				
Encumbrances	415,001	18,421	100,464	7,846
Inventories	42,561	6,247		1,108
Housing programs				
Debt service				
Endowments and annuities				
Assets unavailable for appropriation	20,718	25	3,011	15
Unreserved designated for:				
Budget uncertainties	338,192	54,000		
Program expansion	328,795	29,824		3,399
Health services	326,849			
Capital projects	241,489		33,814	
Special revenue funds - program expansion				
Unreserved, undesignated, reported in:				
General fund	1,366,839			
Special revenue funds		33,424	10,329	7,845
Capital projects funds				
TOTAL FUND BALANCES	3,080,444	141,941	147,618	20,213
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,093,997	232,755	190,833	34,889

The notes to the basic financial statements are an integral part of this statement

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 3)	TOTAL GOVERNMENTAL FUNDS
\$ 263,441	1,540,768		\$ 3,928,375
3,540	40,795		898,285
266,981	1,581,563		4,826,660
	592,884	(304,235)	295,170
3,335	15,532		344,068
2,222	10,558		47,773
4,013	93,791		1,460,508
9	311,189		699,728
	11,034		417,527
	37,581		87,497
\$ 276,560	2,654,132	(304,235)	\$ 8,178,931
\$ 1,022	48,270		\$ 362,404
	465		434,599
85	18,285		106,761
9,007	293,863		938,633
5,234	74,854		477,386
	8,169		286,192
	1,630		17,167
15,348	445,536		2,623,142
78,400	174,425		794,557
	37,581		87,497
	1,662		1,662
	771,679	(304,235)	467,444
	3,380		3,380
	29,687		53,356
	86,182		478,374
64,873			426,891
			326,849
			275,303
	169,104		169,104
			1,366,839
117,939	666,461		835,998
	268,535		268,535
261,212	2,208,596	(304,235)	5,555,789
\$ 276,560	2,654,132	(304,235)	\$ 8,178,931

ASSETS:

Pooled cash and investments: (Notes 1 and 4)

Operating (Note 1)

Other (Note 1)

Total pooled cash and investments

Other investments (Notes 3 and 4)

Taxes receivable

Interest receivable

Other receivables

Due from other funds (Note 13)

Advances to other funds (Note 13)

Inventories

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable

Accrued payroll

Other payables

Due to other funds (Note 13)

Deferred revenue (Note 6)

Advances payable

Third party payor liability (Notes 9 and 12)

TOTAL LIABILITIES

FUND BALANCES:

Reserved for:

Encumbrances

Inventories

Housing programs

Debt service

Endowments and annuities

Assets unavailable for appropriation

Unreserved, designated for:

Budget uncertainties

Program expansion

Health services

Capital projects

Special revenue funds -- program expansion

Unreserved, undesignated, reported in:

General fund

Special revenue funds

Capital projects funds

TOTAL FUND BALANCES

TOTAL LIABILITIES AND FUND BALANCES

COUNTY OF LOS ANGELES
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2007 (in thousands)

Fund balances - total governmental funds (page 27)	\$	5,555,789
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not reported in governmental funds:

Land & Easements	\$	6,994,837	
Construction-in-progress		438,842	
Buildings and improvements - net		2,633,854	
Equipment - net		253,579	
Infrastructure - net		4,540,240	14,861,352

Other long-term assets are not available to pay for current-period expenditures and are unearned, or not recognized, in governmental funds:

Deferred revenue - taxes	\$	244,587	
Long-term receivables		194,364	438,951

The net pension obligation (an asset) pertaining to governmental fund types is not recorded in governmental fund statements.		122,166
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Accrued interest payable is not recognized in governmental funds.		(18,432)
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Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds and notes payable (including accreted interest)	\$	(1,659,220)	
Pension bonds payable		(820,621)	
Capital lease obligations		(98,245)	
Accrued vacation/sick leave		(662,360)	
Workers' compensation		(1,807,937)	
Litigation/self-insurance		(397,513)	
Third party payor liability		(400)	(5,446,296)

Assets and liabilities of the internal service funds are included in governmental activities in the accompanying statement of net assets.		(72,906)
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Net assets of governmental activities (page 23)	\$	15,440,624
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COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	GENERAL FUND	FIRE PROTECTION DISTRICT	FLOOD CONTROL DISTRICT	PUBLIC LIBRARY
REVENUES:				
Taxes	\$ 3,572,932	580,763	88,011	66,822
Licenses permits and franchises	61,138	9,228	514	
Fines forfeitures and penalties	234,747	3,041	1,059	477
Revenue from use of money and property:				
Investment income (Note 4)	226,247	2,555	6,113	822
Rents and concessions (Note 8)	67,984	80	6,995	19
Royalties	280		306	
Intergovernmental revenues:				
Federal	2,695,498	14,383	5,375	107
State	4,251,149	16,317	9,324	2,952
Other	103,474	29,810	4,824	1,263
Charges for services	1,467,608	166,120	112,524	2,372
Miscellaneous	189,636	133	11,875	562
TOTAL REVENUES	12,870,693	822,430	246,920	75,396
EXPENDITURES:				
Current:				
General government	854,052			
Public protection	3,855,819	788,880	214,526	
Public ways and facilities				
Health and sanitation	2,126,233			
Public assistance	4,410,224			
Education				98,626
Recreation and cultural services	217,221			
Debt service:				
Principal	124,234	6,125		1,360
Interest and other charges	144,131	6,149		1,366
Capital leases	25,936			
Capital outlay	818			
TOTAL EXPENDITURES	11,758,668	801,154	214,526	101,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,112,025	21,276	32,394	(25,956)
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 13)	267,243			35,294
Transfers out (Note 13)	(1,039,031)	(31,487)	(21,065)	(3,844)
Issuance of debt (Note 9)				
Payment to refunded bonds escrow agent (Note 9)				
Bond premium proceeds (Note 9)				
Capital leases (Note 8)	818			
Sales of capital assets	1,111	287	599	3
TOTAL OTHER FINANCING SOURCES (USES)	(769,859)	(31,200)	(20,466)	31,453
NET CHANGE IN FUND BALANCES	342,166	(9,924)	11,928	5,497
FUND BALANCE JULY 1 2006	2,738,278	151,865	135,690	14,716
FUND BALANCE JUNE 30 2007	\$ 3,080,444	141,941	147,618	20,213

The notes to the basic financial statements are an integral part of this statement

REGIONAL PARK AND OPEN SPACE DISTRICT	NONMAJOR GOVERNMENTAL FUNDS	ELIMINATIONS (NOTE 3)	TOTAL GOVERNMENTAL FUNDS
\$	259,127		\$ 4,567,655
	6,810		77,690
792	76,058		316,174
12,749	102,400	(16,021)	334,865
	5,796		80,874
	8		594
	120,569		2,835,932
	333,450		4,613,192
	14,745		154,116
77,709	139,391		1,965,724
	89,087		291,293
91,250	1,147,441	(16,021)	15,238,109
	17,252		871,304
	96,113		4,955,338
	271,904		271,904
	129,504		2,255,737
	128,968		4,539,192
	489		99,115
42,417	5,391		265,029
	194,644	(21,475)	304,888
	75,761	(16,021)	211,386
			25,936
	48,079		48,897
42,417	968,105	(37,496)	13,848,726
48,833	179,336	21,475	1,389,383
	237,840		540,377
(33,710)	(463,204)		(1,592,341)
	326,245		326,245
	(320,995)		(320,995)
	14,566		14,566
			818
	1,816		3,816
(33,710)	(203,732)		(1,027,514)
15,123	(24,396)	21,475	361,869
246,089	2,232,992	(325,710)	5,193,820
\$ 261,212	2,208,596	(304,235)	\$ 5,555,789

REVENUES:

Taxes

Licenses permits and franchises

Fines forfeitures and penalties

Revenue from use of money and property:

Investment income (Note 4)

Rents and concessions (Note 8)

Royalties

Intergovernmental revenues:

Federal

State

Other

Charges for services

Miscellaneous

TOTAL REVENUES

EXPENDITURES:

Current:

General government

Public protection

Public ways and facilities

Health and sanitation

Public assistance

Education

Recreation and cultural services

Debt service:

Principal

Interest and other charges

Capital leases

Capital outlay

TOTAL EXPENDITURES

EXCESS (DEFICIENCY) OF REVENUES OVER
EXPENDITURES

OTHER FINANCING SOURCES (USES):

Transfers in (Note 13)

Transfers out (Note 13)

Issuance of debt (Note 9)

Payment to refunded bonds escrow agent (Note 9)

Bond premium proceeds (Note 9)

Capital leases (Note 8)

Sales of capital assets

TOTAL OTHER FINANCING SOURCES (USES)

NET CHANGE IN FUND BALANCES

FUND BALANCE, JULY 1, 2006

FUND BALANCE, JUNE 30, 2007

COUNTY OF LOS ANGELES
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

Net change in fund balances - total governmental funds (page 31) \$ 361,869

Amounts reported for governmental activities in the statement of activities
 are different because:

Governmental funds report capital outlay as expenditures. However, in
 the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense:

Expenditures for general capital assets, infrastructure and other related capital asset adjustments	\$ 400,933	
Less - current year depreciation expense	<u>(265,097)</u>	135,836

In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale are reported as an increase in financial resources. Thus, the change in net assets differs from the change in fund balance.	(7,171)
---	---------

Contribution of capital assets is not recognized in the governmental funds.	374,704
---	---------

Revenue timing differences result in more revenue in government-wide statements	80,104
--	--------

Issuance of long-term debt along with any bond premium provides revenue in the governmental funds, but increases long-term liabilities in the statement of net assets.	(19,816)
---	----------

Repayment of debt principal is an expenditure in the governmental funds,
 but the repayment reduces long-term liabilities in the statement of net assets:

Pension bonds	\$ 131,719	
General obligation bonds	9,105	
Certificates of participation	138,230	
Assessment bonds	21,475	
Other long term notes and loans	<u>27,328</u>	327,857

Some expenses reported in the accompanying statement of activities do not
 require (or provide) the use of current financial resources and, therefore, are
 not reported as expenditures in governmental funds:

Change in workers' compensation	\$ 139,980	
Change in litigation/self-insurance	59,622	
Change in accrued vacation/sick leave	(66,268)	
Change in third party payor liability	577	
Change in accrued interest payable	(1,479)	
Accretion of tobacco settlement bonds	(18,495)	
Accretion of pension bonds	<u>22,853</u>	136,790

The change in the net pension obligation (an asset) is not recognized in governmental funds.	(63,039)
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The portion of internal service funds that is reported with governmental activities.	<u>7,927</u>
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Change in net assets of governmental activities (page 25)	<u><u>\$ 1,335,061</u></u>
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COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 3,434,093	3,526,669	3,563,294	36,625
Licenses, permits and franchises	54,364	55,954	61,138	5,184
Fines, forfeitures and penalties	200,190	201,696	234,748	33,052
Revenue from use of money and property:				
Investment income	78,412	160,653	220,977	60,324
Rents and concessions	50,559	50,559	67,984	17,425
Royalties	156	156	280	124
Intergovernmental revenues:				
Federal	3,027,325	3,047,620	2,690,846	(356,774)
State	4,377,133	4,489,944	4,333,052	(156,892)
Other	99,937	100,699	96,539	(4,160)
Charges for services	1,644,239	1,553,172	1,503,659	(49,513)
Miscellaneous	112,223	212,388	238,561	26,173
TOTAL REVENUES	13,078,631	13,399,510	13,011,078	(388,432)
EXPENDITURES:				
Current:				
General government	1,246,807	1,146,202	769,193	(377,009)
Public protection	4,073,853	4,170,369	4,040,507	(129,862)
Health and sanitation	2,371,347	2,389,938	2,192,620	(197,318)
Public assistance	4,748,212	4,813,492	4,497,898	(315,594)
Recreation and cultural services	232,983	236,272	223,823	(12,449)
Debt Service-				
Interest	17,682	17,682	17,682	
Capital Outlay	1,171,747	1,204,642	154,137	(1,050,505)
TOTAL EXPENDITURES	13,862,631	13,978,597	11,895,860	(2,082,737)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(784,000)	(579,087)	1,115,218	1,694,305
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	704	704	1,110	406
Transfers in	366,832	391,427	185,138	(206,289)
Transfers out	(989,757)	(968,146)	(957,820)	10,326
Appropriation for contingencies		(130,337)		130,337
Changes in reserves and designations	336,393	215,611	292,883	77,272
OTHER FINANCING SOURCES (USES) - NET	(285,828)	(490,741)	(478,689)	12,052
NET CHANGE IN FUND BALANCE	(1,069,828)	(1,069,828)	636,529	1,706,357
FUND BALANCE, JULY 1, 2006 (Note 14)	1,069,828	1,069,828	1,069,828	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		1,706,357	1,706,357

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 FIRE PROTECTION DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	FIRE PROTECTION DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 584,453	584,453	580,299	(4,154)
Licenses, permits and franchises	8,279	8,279	9,228	949
Fines, forfeitures and penalties	2,878	2,878	3,041	163
Revenue from use of money and property:				
Investment income	308	308	2,229	1,921
Rents and concessions	86	86	80	(6)
Intergovernmental revenues:				
Federal	13,124	13,204	14,383	1,179
State	14,891	15,561	16,317	756
Other	20,291	20,291	29,810	9,519
Charges for services	146,661	155,657	166,120	10,463
Miscellaneous	293	293	133	(160)
TOTAL REVENUES	791,264	801,010	821,640	20,630
EXPENDITURES:				
Current-Public protection:				
Salaries and employee benefits	647,095	654,622	644,851	(9,771)
Services and supplies	107,242	124,845	106,202	(18,643)
Other charges	1,093	1,093	865	(228)
Capital assets	19,390	26,461	24,191	(2,270)
TOTAL EXPENDITURES	774,820	807,021	776,109	(30,912)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,444	(6,011)	45,531	51,542
OTHER FINANCING SOURCES (USES):				
Sales of capital assets	47	47	287	240
Transfers out	(30,823)	(30,823)	(30,823)	
Appropriation for contingencies	(5,490)	(2,090)		2,090
Changes in reserves and designations	(38,880)	(19,825)	(17,070)	2,755
OTHER FINANCING SOURCES (USES) - NET	(75,146)	(52,691)	(47,606)	5,085
NET CHANGE IN FUND BALANCE	(58,702)	(58,702)	(2,075)	56,627
FUND BALANCE, JULY 1, 2006 (Note 14)	58,702	58,702	58,702	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		56,627	56,627

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 FLOOD CONTROL DISTRICT
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	FLOOD CONTROL DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 85,568	87,941	87,912	(29)
Licenses permits and franchises	501	501	514	13
Fines forfeitures and penalties	1,150	1,150	1,059	(91)
Revenue from use of money and property:				
Investment income	2,305	3,814	6,070	2,256
Rents and concessions	8,305	8,305	6,995	(1,310)
Royalties	170	170	306	136
Intergovernmental revenues:				
Federal	8,350	8,350	5,375	(2,975)
State	7,516	7,516	9,324	1,808
Other	2,772	2,772	4,824	2,052
Charges for services	112,963	112,963	112,993	30
Miscellaneous	1,802	1,802	187	(1,615)
TOTAL REVENUES	231,402	235,284	235,559	275
EXPENDITURES:				
Current-Public protection:				
Services and supplies	189,953	207,438	207,437	(1)
Other charges	20,066	19,398	19,397	(1)
Capital assets	17,460	15,243	11,851	(3,392)
TOTAL EXPENDITURES	227,479	242,079	238,685	(3,394)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,923	(6,795)	(3,126)	3,669
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			600	600
Transfers in	14,130	14,130	11,688	(2,442)
Transfers out	(942)	(2,026)	(2,026)	
Appropriation for contingencies	(2,787)	(5,185)		5,185
Changes in reserves and designations	(21,966)	(7,766)	1,527	9,293
OTHER FINANCING SOURCES (USES) - NET	(11,565)	(847)	11,789	12,636
NET CHANGE IN FUND BALANCE	(7,642)	(7,642)	8,663	16,305
FUND BALANCE, JULY 1, 2006 (Note 14)	7,642	7,642	7,642	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$		16,305	16,305

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 PUBLIC LIBRARY
 FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	PUBLIC LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Taxes	\$ 66,545	66,897	66,868	(29)
Fines forfeitures and penalties			477	477
Revenue from use of money and property:				
Investment income	150	532	763	231
Rents and concessions	15	15	19	4
Intergovernmental revenues:				
Federal	73	73	107	34
State	2,682	2,682	2,951	269
Other	876	876	1,263	387
Charges for services	2,400	2,400	2,372	(28)
Miscellaneous	1,291	1,291	562	(729)
TOTAL REVENUES	74,032	74,766	75,382	616
EXPENDITURES:				
Current-Education:				
Salaries and employee benefits	70,874	70,874	63,269	(7,605)
Services and supplies	50,283	48,874	39,179	(9,695)
Other charges	840	840	732	(108)
Capital assets	390	640	598	(42)
TOTAL EXPENDITURES	122,387	121,228	103,778	(17,450)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(48,355)	(46,462)	(28,396)	18,066
OTHER FINANCING SOURCES (USES):				
Sales of capital assets			4	4
Transfers in	45,332	44,173	35,294	(8,879)
Transfers out	(3,328)	(3,328)	(3,328)	
Appropriation for contingencies		(734)		734
Changes in reserves and designations	(1,691)	(1,691)	(821)	870
OTHER FINANCING SOURCES (USES) - NET	40,313	38,420	31,149	(7,271)
NET CHANGE IN FUND BALANCE	(8,042)	(8,042)	2,753	10,795
FUND BALANCE, JULY 1, 2006 (Note 14)	8,042	8,042	8,042	
FUND BALANCE, JUNE 30 2007 (Note 14)	\$		10,795	10,795

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 REGIONAL PARK AND OPEN SPACE DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2007 (In thousands)

	REGIONAL PARK AND OPEN SPACE DISTRICT			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE FROM FINAL BUDGET OVER (UNDER)
REVENUES:				
Fines, forfeitures and penalties	\$ 1,135	1,135	793	(342)
Revenue from use of money and property-				
Investment income	6,469	6,469	12,680	6,211
Charges for services	78,236	78,236	78,129	(107)
TOTAL REVENUES	85,840	85,840	91,602	5,762
EXPENDITURES:				
Current-Recreation and cultural services:				
Services and supplies	4,227	4,227	3,117	(1,110)
Other charges	145,163	129,755	39,954	(89,801)
TOTAL EXPENDITURES	149,390	133,982	43,071	(90,911)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,550)	(48,142)	48,531	96,673
OTHER FINANCING SOURCES (USES):				
Transfers in	61,530	61,530	65,453	3,923
Transfers out	(85,642)	(101,050)	(99,164)	1,886
Appropriation for contingencies	(12,374)	(12,374)		12,374
Changes in reserves and designations	(52,872)	(52,872)	(49,708)	3,164
OTHER FINANCING SOURCES (USES) - NET	(89,358)	(104,766)	(83,419)	21,347
NET CHANGE IN FUND BALANCE	(152,908)	(152,908)	(34,888)	118,020
FUND BALANCE, JULY 1, 2006 (Note 14)	154,588	154,588	154,588	
FUND BALANCE, JUNE 30, 2007 (Note 14)	\$ 1,680	1,680	119,700	118,020

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30 2007 (in thousands)

BUSINESS-TYPE ACTIVITIES -

	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. - Harbor Hospital	Rancho Los Amigos National Rehab Center
ASSETS					
Current assets:					
Pooled cash and investments: (Notes 1 and 4)					
Operating (Note 1)	\$ 530	465	113,928	492	190
Other (Note 1)	9,808	12,620	23,632	7,428	2,772
Total pooled cash and investments	10,338	13,085	137,560	7,920	2,962
Other investments (Note 4)					
Taxes receivable					
Accounts receivable - net (Note 12)	114,933	76,515	184,363	118,391	76,860
Interest receivable	10	13	1,120	4	1
Other receivables	4,652	6,118	12,581	5,025	1,234
Due from other funds (Note 13)	69,682	71,520	275,053	24,407	19,899
Advances to other funds (Note 13)					
Inventories	3,860	4,086	13,039	3,281	1,193
Total current assets	203,475	171,337	623,716	159,028	102,149
Noncurrent assets:					
Restricted assets (Note 4)	3,325	6,892	6,322	160	589
Net pension obligation (Note 6)	7,190	6,238	18,880	8,012	5,176
Capital assets: (Notes 5 and 8)					
Land and easements	1,001	15,171	18,183	2,277	217
Buildings and improvements	77,672	152,939	164,112	195,357	187,179
Equipment	29,902	23,207	78,413	46,701	10,773
Infrastructure					
Construction in progress	21,313	69	827,697		6,550
Less accumulated depreciation	(68,113)	(95,933)	(192,019)	(135,088)	(97,187)
Total capital assets - net	61,775	95,453	896,386	109,247	107,532
Total noncurrent assets	72,290	108,583	921,588	117,419	113,297
TOTAL ASSETS	275,765	279,920	1,545,304	276,447	215,446
LIABILITIES					
Current liabilities:					
Accounts payable	10,361	10,490	39,209	9,733	2,363
Accrued payroll	22,543	17,140	41,982	13,195	7,358
Other payables	1,911	1,610	2,977	1,671	925
Accrued interest payable	94	50	90	218	232
Due to other funds (Note 13)	34,842	57,109	134,904	26,370	7,280
Advances from other funds (Note 13)	74,487	37,228	161,123	53,366	70,487
Unearned revenue (Note 6)	682	592	4,946	761	491
Current portion of long-term liabilities (Note 9)	34,421	34,654	82,473	41,657	21,475
Total current liabilities	179,341	158,873	467,704	146,971	110,611
Noncurrent liabilities:					
Accrued vacation and sick leave (Note 9)	25,086	23,665	44,764	12,942	2,841
Bonds and notes payable (Note 9)	11,487		15,939	42,976	40,105
Pension bonds payable (Notes 6 and 9)	32,675	28,349	85,798	36,412	23,521
Capital lease obligations (Notes 8 and 9)					273
Workers' compensation (Notes 9 and 16)	29,998	27,154	133,810	66,560	25,013
Litigation and self-insurance (Notes 9 and 16)	31,112	21,425	101,588	44,387	11,946
Third party payor liability (Notes 9 and 12)	14,040	7,759	43,784	18,557	2,528
Total noncurrent liabilities	144,398	108,352	425,683	221,834	106,227
TOTAL LIABILITIES	323,739	267,225	893,387	368,805	216,838
NET ASSETS					
Invested in capital assets, net of related debt (Notes 5 and 9)	47,682	90,162	880,736	65,429	65,703
Restricted:					
Debt service	3,231	6,842	6,232		357
Special purpose					
Unrestricted (deficit)	(98,887)	(84,309)	(235,051)	(157,787)	(67,452)
TOTAL NET ASSETS (DEFICIT) (Note 2)	\$ (47,974)	12,695	651,917	(92,358)	(1,392)

The notes to the basic financial statements are an integral part of this statement

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 84,194	3,725	\$ 203,524	\$ 39,767
1,667	9	57,936	7,484
85,861	3,734	261,460	47,251
	78,720	78,720	8,193
731		731	
		571,062	
643	10	1,801	394
8,847	4,857	43,314	170
1,769	58	462,388	76,510
1,164		1,164	
		25,459	7,950
99,015	87,379	1,446,099	140,468
		17,288	15,708
		45,496	8,778
9,441	199,160	245,450	
117,000	176,785	1,071,044	1,734
225	2,992	192,213	196,163
1,094,778	40,240	1,135,018	
16,853	378	872,860	
(432,472)	(182,794)	(1,203,606)	(114,137)
805,825	236,761	2,312,979	83,760
805,825	236,761	2,375,763	108,246
904,840	324,140	3,821,862	248,714
1,040	2,671	75,867	4,537
		102,218	19,989
	1,700	10,794	1,581
		684	860
6,081	304	266,890	33,103
		396,691	22,000
140	308	7,920	990
17	1,109	215,806	51,572
7,278	6,092	1,076,870	134,632
	133	109,431	34,667
104	4,498	115,109	28,385
		206,755	39,891
		273	60
		282,535	60,395
		210,458	20,779
		86,668	
104	4,631	1,011,229	184,177
7,382	10,723	2,088,099	318,809
805,704	231,553	2,186,969	56,464
91,754		108,416	2,380
	79,127	79,127	
	2,737	(640,749)	(128,939)
\$ 897,458	313,417	1,733,763	\$ (70,095)
		2,811	
		\$ 1,736,574	

ASSETS

Current assets:

Pooled cash and investments: (Notes 1 and 4)

Operating (Note 1)

Other (Note 1)

Total pooled cash and investments

Other investments (Note 4)

Taxes receivable

Accounts receivable - net (Note 12)

Interest receivable

Other receivables

Due from other funds (Note 13)

Advances to other funds (Note 13)

Inventories

Total current assets

Noncurrent assets:

Restricted assets (Note 4)

Net pension obligation (Note 6)

Capital assets: (Notes 5 and 8)

Land and easements

Buildings and improvements

Equipment

Infrastructure

Construction in progress

Less accumulated depreciation

Total capital assets - net

Total noncurrent assets

TOTAL ASSETS

LIABILITIES

Current liabilities:

Accounts payable

Accrued payroll

Other payables

Accrued interest payable

Due to other funds (Note 13)

Advances from other funds (Note 13)

Unearned revenue (Note 6)

Current portion of long-term liabilities (Note 9)

Total current liabilities

Noncurrent liabilities:

Accrued vacation and sick leave (Note 9)

Bonds and notes payable (Note 9)

Pension bonds payable (Notes 6 and 9)

Capital lease obligations (Notes 8 and 9)

Workers' compensation (Notes 9 and 16)

Litigation and self-insurance (Notes 9 and 16)

Third party payor liability (Notes 9 and 12)

Total noncurrent liabilities

TOTAL LIABILITIES

NET ASSETS

Invested in capital assets, net of related debt
(Notes 5 and 9)

Restricted:

Debt service

Special purpose

Unrestricted (deficit)

TOTAL NET ASSETS (DEFICIT) (Note 2)

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds

NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 23)

COUNTY OF LOS ANGELES
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr - Harbor Hospital	Rancho Los Amigos National Rehab Center
OPERATING REVENUES:					
Net patient service revenues (Note 12)	\$ 413,089	343,464	701,964	308,494	123,827
Rentals					
Charges for services					
Other	17,463	15,195	45,977	11,970	3,923
TOTAL OPERATING REVENUES	430,552	358,659	747,941	320,464	127,750
OPERATING EXPENSES:					
Salaries and employee benefits	300,491	238,739	582,583	195,825	95,470
Services and supplies	82,816	85,672	205,177	58,882	23,724
Other professional services	103,352	100,868	283,396	124,693	29,576
Depreciation and amortization (Note 5)	2,692	2,975	2,136	3,398	2,342
Medical malpractice	1,700	1,339	7,851		
Rent	4,048	3,368	12,781	2,763	1,979
TOTAL OPERATING EXPENSES	495,099	432,961	1,093,924	385,561	153,091
OPERATING INCOME (LOSS)	(64,547)	(74,302)	(345,983)	(65,097)	(25,341)
NONOPERATING REVENUES (EXPENSES):					
Taxes					
Interest income	425	419	7,281	1,296	243
Interest expense	(10,508)	(8,817)	(23,238)	(11,482)	(9,170)
Intergovernmental transfers expense (Note 12)	(50,412)	(37,890)	(118,946)	(54,944)	(6,323)
Intergovernmental revenues:					
State					
Federal					
TOTAL NONOPERATING REVENUES (EXPENSES)	(60,495)	(46,288)	(134,903)	(65,130)	(15,250)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(125,042)	(120,590)	(480,886)	(130,227)	(40,591)
Capital contributions			12,911		
Transfers in (Note 13)	154,098	191,220	586,610	129,269	47,386
Transfers out (Note 13)	(36)	(464)	(54,642)	(16)	(1)
CHANGE IN NET ASSETS	29,020	70,166	63,993	(974)	6,794
TOTAL NET ASSETS (DEFICIT), JULY 1, 2006	(76,994)	(57,471)	587,924	(91,384)	(8,186)
TOTAL NET ASSETS (DEFICIT), JUNE 30, 2007	\$ (47,974)	12,695	651,917	(92,358)	(1,392)

The notes to the basic financial statements are an integral part of this statement

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$		\$ 1,890,838	\$	OPERATING REVENUES:
	13,769	13,769	23,081	Net patient service revenues (Note 12)
79,547	452	79,999	373,662	Rentals
610	879	96,017		Charges for services
				Other
80,157	15,100	2,080,623	396,743	TOTAL OPERATING REVENUES
		1,413,108	284,521	OPERATING EXPENSES:
73,492	212,701	742,464	54,982	Salaries and employee benefits
1,518	237	643,640	11,316	Services and supplies
22,482	2,943	38,968	34,726	Other professional services
		10,890		Depreciation and amortization (Note 5)
		24,939		Medical malpractice
				Rent
97,492	215,881	2,874,009	385,545	TOTAL OPERATING EXPENSES
(17,335)	(200,781)	(793,386)	11,198	OPERATING INCOME (LOSS)
3,782		3,782		NONOPERATING REVENUES (EXPENSES):
4,217	4,196	18,077	1,266	Taxes
(12)	(319)	(63,546)	(10,026)	Interest income
		(268,515)		Interest expense
108	10	118		Intergovernmental transfers expense (Note 12)
85	232,120	232,205	251	Intergovernmental revenues:
				State
				Federal
8,180	236,007	(77,879)	(8,509)	TOTAL NONOPERATING REVENUES (EXPENSES)
(9,155)	35,226	(871,265)	2,689	INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS
		12,911		Capital contributions
(391)	(4,232)	1,108,583	3,384	Transfers in (Note 13)
		(59,782)	(221)	Transfers out (Note 13)
(9,546)	30,994	190,447	5,852	CHANGE IN NET ASSETS
907,004	282,423		(75,947)	TOTAL NET ASSETS (DEFICIT), JULY 1, 2006
\$ 897,458	313,417		\$ (70,095)	TOTAL NET ASSETS (DEFICIT), JUNE 30, 2007
		(2,075)		Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		\$ 188,372		CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES (PAGE 25)

COUNTY OF LOS ANGELES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30 2007 (in thousands)

	BUSINESS-TYPE ACTIVITIES -				
	Harbor UCLA Medical Center	Olive View UCLA Medical Center	LAC+USC Medical Center	Martin Luther King Jr. - Harbor Hospital	Rancho Los Amigos National Rehab Center
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from patient services	\$ 391,451	311,920	841,230	365,642	113,891
Rentals received					
Cash received from charges for services					
Other operating revenues	17,468	15,201	45,981	11,970	3,929
Cash received for services provided to other funds	11,995	15,959	25,550	10,728	124
Cash paid for salaries and employee benefits	(299,081)	(234,599)	(590,733)	(211,055)	(104,981)
Cash paid for services and supplies	(34,557)	(23,794)	(157,188)	(21,564)	(24,427)
Other operating expenses	(110,987)	(105,329)	(306,462)	(132,546)	(32,499)
Cash paid for services from other funds	(36,274)	(30,817)	(98,429)	(40,707)	(17,316)
Net cash provided by (required for) operating activities	(59,985)	(51,459)	(240,051)	(17,532)	(61,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash advances received from other funds	155,252	65,832	373,280	143,583	105,691
Cash advances paid/returned to other funds	(180,362)	(141,017)	(415,112)	(178,143)	(71,094)
Interest paid on pension bonds	(6,437)	(5,585)	(16,904)	(7,174)	(4,635)
Interest paid on advances	(2,384)	(2,399)	(5,325)	(1,859)	(1,932)
Intergovernmental transfers	(50,412)	(37,890)	(118,946)	(54,944)	(6,323)
Intergovernmental receipts					
Transfers in	154,098	191,220	586,610	129,269	47,386
Transfers out	(36)	(464)	(54,642)	(16)	(1)
Net cash provided by (required for) noncapital financing activities	69,719	69,697	348,961	30,716	69,092
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from taxes					
Capital contributions			12,911		
Proceeds from bonds and notes					
Interest paid on capital borrowing	(1,806)	(880)	(1,149)	(2,784)	(2,891)
Principal payments on bonds and notes	(1,576)	(9,440)	(2,094)	(4,979)	(3,868)
Principal payments on capital leases	(148)	(16)			(114)
Acquisition and construction of capital assets	(5,681)	(3,851)	(148,644)	(4,660)	(369)
Net cash required for capital and related financing activities	(9,211)	(14,187)	(138,976)	(12,423)	(7,242)
CASH FLOWS FROM INVESTING ACTIVITIES -					
Interest Income received	127	157	6,307	967	33
Net increase (decrease) in cash and cash equivalents	650	4,208	(23,759)	1,728	604
Cash and cash equivalents, July 1, 2006	13,013	15,769	167,641	6,352	2,947
Cash and cash equivalents, June 30, 2007	\$ 13,663	19,977	143,882	8,080	3,551

The notes to the basic financial statements are an integral part of this statement.

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$		\$ 2,024,134	\$
	11,557	11,557	23,376
76,973	633	77,606	354,922
610	879	96,038	
		64,356	
	(116)	(1,440,565)	(287,724)
(47,820)	(212,262)	(521,612)	(46,866)
(1,518)	(237)	(689,578)	(11,316)
		(223,543)	
28,245	(199,546)	(601,607)	32,392
		843,638	
		(985,728)	
		(40,735)	(7,860)
		(13,899)	
		(268,515)	
193	232,130	232,323	251
		1 108,583	3,384
(391)	(4,232)	(59,782)	(221)
(198)	227,898	815,885	(4,446)
		3,768	
3,768		12,911	
	6	6	20,000
(12)	(319)	(9,841)	(1,532)
(15)	(660)	(22,632)	(14,520)
		(278)	(108)
(15,693)	(1,375)	(180,273)	(22,402)
(11,952)	(2,348)	(196,339)	(18,562)
3,963	4,186	15,740	956
20,058	30,190	33,679	10,340
65,803	52,264	323,789	60,812
\$ 85,861	82,454	\$ 357,468	\$ 71,152

CASH FLOWS FROM OPERATING

ACTIVITIES:

Cash received from patient services
Rentals received
Cash received from charges for services
Other operating revenues
Cash received for services provided to other funds
Cash paid for salaries and employee benefits
Cash paid for services and supplies
Other operating expenses
Cash paid for services from other funds
Net cash provided by (required for) operating activities

CASH FLOWS FROM NONCAPITAL

FINANCING ACTIVITIES:

Cash advances received from other funds
Cash advances paid/returned to other funds
Interest paid on pension bonds
Interest paid on advances
Intergovernmental transfers
Intergovernmental receipts
Transfers in
Transfers out
Net cash provided by (required for) noncapital financing activities

CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES:

Proceeds from taxes
Capital contributions
Proceeds from bonds and notes
Interest paid on capital borrowing
Principal payments on bonds and notes
Principal payments on capital leases
Acquisition and construction of capital assets
Net cash required for capital and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES -

Interest income received

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents, July 1, 2006

Cash and cash equivalents, June 30, 2007

Continued

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
Waterworks Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ (17,335)	(200,781)	\$ (793,386)	\$ 11,198	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES:
				Operating income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided by (required for) operating activities:
22,482	2,943	38,968	34,726	Depreciation and amortization
27,509	125	22,407	(454)	Other charges - net
		(4,421)		(increase) decrease in:
			(136)	Accounts receivable - net
(1,603)	(1,862)	(8,780)	(10)	Interest receivable
(971)	(57)	280,793	(18,298)	Other receivables
		377	(428)	Due from other funds
		23,476	4,530	Inventories
				Net pension obligation
				Increase (decrease) in:
(3,161)	341	(17,081)	(1,245)	Accounts payable
		12,088	1,718	Accrued payroll
	(128)	2,961	588	Other payables
	(116)	8,784	3,262	Accrued vacation and sick leave
1,324	101	(7,574)	10,276	Due to other funds
	(112)	2,447	(1)	Unearned revenue
		(57,565)	(11,107)	Pension bonds payable
		(24,176)	(3,293)	Workers' compensation liability
		(3,933)	1,066	Litigation and self-insurance liability
		(76,992)		Third party payor liability
45,580	1,235	191,779	21,194	TOTAL ADJUSTMENTS
\$ 28,245	(199,546)	\$ (601,607)	\$ 32,392	NET CASH PROVIDED BY (REQUIRED FOR) OPERATING ACTIVITIES
				RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:
\$ 85,861	3,734	\$ 261,460	\$ 47,251	Pooled cash and investments
	78,720	78,720	8,193	Other investments
		17,288	15,708	Restricted assets
\$ 85,861	82,454	\$ 357,468	\$ 71,152	TOTAL

COUNTY OF LOS ANGELES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2007 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS	AGENCY FUNDS
ASSETS			
Pooled cash and investments (Note 4)	\$ 27,789	\$ 11,555,116	\$ 1,105,091
Other investments: (Note 4)		1,246,716	14,714
Stocks	21,955,745		
Bonds	10,388,361		
Short-term investments	1,418,843		
Commodities	410,932		
Real estate	4,126,103		
Mortgages	256,791		
Alternative assets	2,791,924		
Cash collateral on loaned securities	3,126,337		
Taxes receivable			222,286
Interest receivable	137,271	180,017	3,995
Other receivables	450,483		
TOTAL ASSETS	<u>45,090,579</u>	<u>12,981,849</u>	<u>\$ 1,346,086</u>
LIABILITIES			
Accounts payable	988,225		
Other payables (Note 4)	3,194,248		
Due to other governments			1,346,086
TOTAL LIABILITIES	<u>4,182,473</u>		<u>\$ 1,346,086</u>
NET ASSETS			
Held in trust for pension benefits and investment trust participants	<u>\$ 40,908,106</u>	<u>\$ 12,981,849</u>	

The notes to the basic financial statements are an integral part of this statement

COUNTY OF LOS ANGELES
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

	PENSION TRUST FUND	INVESTMENT TRUST FUNDS
ADDITIONS:		
Contributions:		
Pension trust contributions:		
Employer	\$ 751,928	\$
Member	347,701	
Contributions to investment trust funds		40,069,963
Total contributions	1,099,629	40,069,963
Investment earnings:		
Investment income	3,794,202	657,217
Net increase in the fair value of investments	2,760,428	
Securities lending income (Note 4)	149,925	
Total investment earnings	6,704,555	657,217
Less - Investment expenses:		
Expense from investing activities	75,922	
Expense from securities lending activities (Note 4)	141,449	
Total net investment expense	217,371	
Net investment earnings	6,487,184	657,217
Miscellaneous	1,803	
TOTAL ADDITIONS	7,588,616	40,727,180
DEDUCTIONS:		
Salaries and employee benefits	30,358	
Services and supplies	13,522	
Benefit payments	1,803,984	
Distribution from investment trust funds		38,335,395
Miscellaneous	18,235	
TOTAL DEDUCTIONS	1,866,099	38,335,395
CHANGE IN NET ASSETS	5,722,517	2,391,785
NET ASSETS HELD IN TRUST, JULY 1, 2006	35,185,589	10,590,064
NET ASSETS HELD IN TRUST, JUNE 30, 2007	\$ 40,908,106	\$ 12,981,849

The notes to the basic financial statements are an integral part of this statement